PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 99

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1985-86

COMPRISING PERIOD
9 JUNE—20 JUNE 1986

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IN THE THIRD SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-FIFTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES — VOLUME 99

FOURTEENTH VOLUME OF SESSION 1985-86

House of Commons

Monday 9 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

Unemployment

1. **Mrs. Clwyd** asked the Secretary of State for Wales what action he proposes to take on the current unemployment figures for Wales.

The Secretary of State for Wales (Mr. Nicholas Edwards): The Government will continue the policies which have created low inflation and improved growth, established a wide range of employment and training measures, produced a steady improvement in infrastructure and the industrial environment in Wales, and have achieved success in attracting inward investment and stimulating the growth of small businesses. We intend to develop the important initiatives that we have announced to achieve urban renewal and to encourage the adoption of new technologies, adaptability and the response to market needs that are required if jobs are to be created.

Mrs. Clwyd: Is the Secretary of State aware that male unemployment in Britain is now nearly twice as high as it is in France, Germany, Italy and the United States and that in my constituency, month after month, male unemployment continues to be the highest in Wales? Can the right hon. Gentleman tell my constituents when they can expect an end to their misery, apart from there being a change of Government?

Mr. Edwards: We have created more new jobs in this country than have been created in the rest of the European Community countries put together. Because I understand the particular problems in the hon. Lady's constituency, we have pressed on with the construction of the important new road giving access to her constituency and launched the valleys initiative, which I am sure will play a major role in the Cynon Valley.

Sir Raymond Gower: Has my right hon. Friend noted that his colleagues in the Cabinet have prophesied that a large number of jobs will emerge from the spectacular Channel crossing enterprise? In the Welsh setting, does he agree that many new jobs would emerge from a similarly spectacular undertaking, such as a second crossing of the Bristol channel, with or without a Severn barrage, and that that would form a valuable part of the infrastructure to which he referred?

Mr. Edwards: My hon. Friend will be aware that guidance has been given on the opportunities to be gained in Wales from the Channel crossing. We are pressing on with the consultants' study on the possibility of a second Severn crossing, and we have received the consultants' report on a possible Severn barrage, which the Government are considering. My hon. Friend will know that this Government have already launched major initiatives in south Cardiff and elsewhere, which will provide considerable opportunities.

Mr. Foot: The right hon. Gentleman talks about the valleys initiative making a major contribution to the creation of jobs. What figure does he have in mind? How soon will the improved figures operate and how do they compare with the figures for jobs still being lost to the valleys?

Mr. Edwards: We have announced the valleys initiative and are now waiting for the first bids and proposals from the local authorities. This is just the start of that initiative. We shall want to reinforce it if successful bids are made. This is just one of a number of initiatives to help job creation in the valleys.

Mr. Raffan: Following the recent great good news that 650 new jobs are to be created in the Delyn enterprise zone,

will my right hon. Friend congratulate Delyn borough council and its chief executive, John Packer, and his officials on their tremendous achievement in bringing about such a significant turnaround so soon after the closure of Courtaulds, Greenfield? Will he also pass on my sincere thanks, and those of the borough, to his extremely hardworking officials for their contribution? Will he join me in reminding the people of Delyn that those new jobs will be safe only as long as this Government remain in power, because of the Labour party's outright opposition to enterprise zones?

Mr. Edwards: I specifically congratulated the Delyn borough council in the speech that I delivered at the opening of the new Shotton coating plant on Friday. The leadership which that local authority has shown in its management of the enterprise zone has been outstanding — and I said so. I also detailed the long list of major new investment decisions that have been announced in Clwyd in recent months.

Mr. Geraint Howells: How many people will be made redundant in the Agricultural Advisory Service in Wales? How many will be made redundant by amalgamating Pwllpeiran Hill experimental farm with Trawscoed? For what reason is the right hon. Gentleman pursuing such a policy?

Mr. Edwards: I shall write to the hon. Gentleman in more detail. Speaking from memory, 10 jobs will be lost in the Agricultural Advisory Service. I shall write to the hon. Gentleman about the farm question.

Mr. Best: Does my right hon. Friend accept that the key to greater job prospects is improved communications and, to that end, that the dualling of the A55 along the north Wales coast will have a greater impact on job prospects for my constituency than any other measure? Will my right hon. Friend say a little more about the new initiative that he has just announced — the rural enterprise scheme — which I understand will appeal to the whole of my constituency?

Mr. Edwards: My hon. Friend is quite right. The Conway crossing, which will be the largest single road scheme ever undertaken in this country, will add to the list of major projects to which I referred earlier. We have just launched the rural enterprise scheme with the new grants scheme — DRIVE — and shortly we shall launch the Agrifood initiative. Those are important aids to the difficult and changing situation in the countryside.

Mr. John Morris: Does the Secretary of State expect Welsh unemployment figures to be up, or down, a year from now?

Mr. Edwards: I follow the right hon. and learned Gentleman's practice of never making forecasts about unemployment figures.

Mr. D. E. Thomas: Will the Secretary of State address himself to the issue of unemployment in Gwynedd in the context of the heavy reliance of that county on employment in the electricity generation industry? In view of the fact that neither this nor any other Government are likely to commission a further nuclear power station in Trawsfynydd, will the Welsh Office take an initiative to ensure alternative employment in that area on a long-term planning cycle?

Mr. Edwards: I note what the hon. Gentleman said. I note also that in recent weeks and months he has been extremely careful in his choice of words about the possibility of a replacement for the nuclear power station. As he knows, the CEGB is involved in consultations on proposals for a replacement. It would be foolish to close the door to those options at this stage.

Dr. Marek: Can the Secretary of State say how many of the jobs that have been created are part-time and how many are full-time?

Mr. Edwards: I could not specify that immediately. I have not listed the number of jobs. Certainly quite a number of part-time jobs have been created. It is one of the changing patterns of employment and of occupation that we must recognise. Many people welcome the opportunity to do part-time work, as I am sure the hon. Gentleman recognises.

Mr. Barry Jones: I remind the right hon. Gentleman that in Wales nine travel-to-work areas suffer unemployment in excess of 20 per cent. and a further four areas, at 19 per cent., are bordering on 20 per cent. So far as the Cabinet split is concerned, does the right hon. Gentleman agree with the Home Secretary that tax cuts are not everything? Can the people of Wales have a change of economic policy? If the right hon. Gentleman will not listen to the people of Wales, will be take note of election results and opinion polls, which suggest that the Conservatives, without a change in policy, will be wiped out in Wales?

Mr. Edwards: Of course tax cuts are not everything. Tax incentives are required to get the maximum productive capacity out of this country. The Government are devoting record resources to the National Health Service. We have built 90 per cent. of the factories that are being built in Wales by the Welsh Development Agency. We are carrying out the largest road building programme ever undertaken in the Principality. We have built more modern hospitals and provided more medical facilities than any previous Government.

Cyngor Dosbarth Dwyfor

2. **Mr. Wigley** asked the Secretary of State for Wales when he next plans to meet the officers or members of Cyngor Dosbarth Dwyfor about the housing priorities for the area.

The Parliamentary Under-Secretary of State for Wales (Mr. Mark Robinson): I have no present plans to do so. However, the head of my Department's housing division met the chairman and members of the authority together with the chief executive and other officers last week.

Mr. Wigley: When the head of the Department's housing division met the officers and members of the Cyngor Dosbarth Dwyfor last week, did he understand that it was not Dwyfor's priority to build 700 second homes at Morfa Bychan on land that is designated as a site of special scientific interest by the Welsh Office? That scheme is contrary to the local plan approved by the Welsh Office and to the wishes of the local people. What will the Welsh Office do to safeguard the local community from the ravages of those property speculators?

Mr. Robinson: The hon. Gentleman will be aware from our correspondence that that is a matter for the local

planning authority, Dwyfor district council. Under section 45 of the Town and Country Planning Act 1971 the authority can make an order to revoke the outline planning permission granted in 1964.

Welsh Water Authority

3. **Mr. Rogers** asked the Secretary of State for Wales when he next proposes to meet the chairman of the Welsh water authority to discuss privatisation of the industry.

8. **Mr. Barry Jones** asked the Secretary of State for Wales when he next proposes to meet the chairman of the Welsh water authority to discuss the privatisation of the industry.

Mr. Mark Robinson: My right hon. Friend and I met the chairman of the Welsh water authority on 25 March and I met him again on 20 May. We will continue to keep in close touch on water privatisation matters.

Mr. Rogers: As the Government have abolished the water equalisation grant and as there are now wide differences in water charges between England and Wales, what proposals does the Secretary of State have to alleviate the problems facing the Welsh people, or is he going to let them down, as he usually does?

Mr. Robinson: Charges for 1987 and 1988 will be set in the same way as for the current year, with the financial target order subject to parliamentary approval. In subsequent years, under privatisation, the licence charges will fall to the control of the independent regulator, known as the Director General of Water Services.

Mr. Jones: The water industry should not be the source of profit. Does the hon. Gentleman accept that, following the Chernobyl disaster, when north Wales was contaminated, we need water under public ownership so that immediate and cohesive action can be taken in response to any emergency? What is the likelihood of the Secretary of State for the Enrvironment hurrying through privatisation of water so that the Chancellor has the means to make tax cuts? Does the Minister agree that, before these measures go forward, they should be put to the people of Wales at a general election, when the hon. Gentleman will find that there is no mandate for these proposals?

Mr. Robinson: It comes as no surprise to me that the hon. Gentleman should try at the Dispatch Box to claim that profit is a bad thing and not to be commended. We believe that the water industry, like any industry, should be managed so that it can produce a profitable return, which of course helps investment.

Sir Anthony Meyer: What can my hon. Friend say to reassure those of my constituents who are worried that privatisation may mean that tariffs for the very large users will be reduced and tariffs for the small users will be correspondingly raised?

Mr. Robinson: Those matters can be controlled when the licence for the new water companies is drawn up. Those aspects will come under the protection of the Director General of Water Services.

Mr. Gwilym Jones: What consideration has been given to the water authorities' charging system after denationalisation in the light of the Green Paper on reform of rates?

Mr. Robinson: We are, of course, looking at that matter. We are considering also the question of a wider extension of metering. Recently, we issued a consultation paper on that aspect.

Mr. Gareth Wardell: When the hon. Gentleman next meets the chairman of the Welsh water authority, will he be able to give him an assurance that tidal, drinking and river water will be considerably improved in quality as a result of privatisation? Will the hon. Gentleman accept the recommendation of the Royal Commission on environmental pollution and the result of the confidential review of environmental policy by the central policy unit of the Department of the Environment, that the current polution control functions of the water authorities should be transferred and monitored by a new environmental inspectorate?

Mr. Robinson: We believe that under these proposals the water environment regime will be strengthened. For that reason, we recently issued "The Water Environment: the Next Steps", which is open to consultation. There is no question of environmental standards being changed under privatisation. They will be maintained, and, indeed, strengthened.

Mr. Grist: Is my hon. Friend able to say how my constituents, particularly my poorer constituents, will benefit from the denationalisation of water?

Mr. Robinson: By allowing the water authorities to go to the capital market, denationalisation will enable them to raise more funds for capital development. It will also encourage a more efficient water regime, which should lead to lower costs and charges.

Powys (Mental Health Care)

4. **Mr. Livsey** asked the Secretary of State for Wales if he will make a statement on the reorganisation of mental health care in Powys.

Mr. Mark Robinson: Planning the reorganisation of mental health care in Powys is primarily the responsibility of Powys healh authority, in consultation with Powys county council where care in the community is involved.

Mr. Livsey: I accept that care in the community is extremely important for the elderly, but does the Minister not accept that increasing numbers of elderly people will be living in Powys in the future and that they will require greater resource funding? The proposals contained in the recently published health report for Powys show that beds for the long-term and acutely mentally ill at the Mid-Wales hospital, Talgarth will probably amount to 80. We believe that this is far too low a number for expert treatment of the acutely mentally ill and that the level should be held at 200, because in that hospital there is a 95 per cent. discharge rate of those patients within 12 months.

Mr. Robinson: The hon. Gentleman has asked two questions. It was precisely for that reason that my right hon. Friend announced an initiative for the elderly, during the proceedings on this subject in the Welsh Grand Committee, that amounts to additional resources of between £1 million and £5 million over the next three years, and Powys will be a beneficiary.

As for the mental illness services and the mental handicap strategy in Powys, the Government have

introduced a comprehensive 10-year policy and extra resources are being made available. For Powys, they amount to £215,000 in the current year.

Mr. Rogers: In any reorganisation of mental health care in Powys, will the Minister ensure that any clinical trials of drugs are carried out strictly in accordance with the protocol that has been arrived at between the BMA, the medical profession and the DHSS? In ensuring that these trials are properly carried out in hospitals, perhaps he will apply better standards there than he seems to care about for trials that take place outside hospitals.

Mr. Robinson: Drug trials are a matter for the medical profession and the BMA.

Mr. Wigley: In relation to the substantial pressure on the community in Powys, if people are moved, as they should be, from long-stay hospitals into the community, will the Minister give an assurance that additional resources will be provided, over and above those that have been earmarked for mental handicap services, for mental illness services in Powys?

Mr. Robinson: Once again, in terms of our mental illness strategy, we are prepared to look at projects that are put to us by health authorities, and funding can be made available.

Roads

5. **Mr. Best** asked the Secretary of State for Wales when he expects to make a statement on responses to the consultation paper, "Roads for Wales — the 1990s and Beyond"; how many responses he has received; what has been their nature; and how many responses he has received about roads on Ynys Môn.

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): I have received over 150 responses covering a wide range of issues affecting both trunk and county roads. About 30 concern roads on Ynys Môn. I am still considering the responses.

Mr. Best: My hon. Friend will know of my efforts to try to secure bypasses around the five villages on the A5 on Ynys Môn and also my thanks to him for his welcome statement during the last Welsh Question Time that he would look at the possibility of a bypass around Holyhead, bearing in mind the massive increase in traffic that that town is likely to encounter during the next few years. Is my hon. Friend able to say when he will be in a position to appoint consultants?

Mr. Roberts: No one has pressed harder for improvements to the A5 on Anglesey than my hon. Friend. He will be aware that the consultants' report covers the five villages of Pentre Berw, Gaerwen, Gwalchmai, Bryngwran, Caergeiliog and Valley. However, I do not believe that it is possible to look at the A5 in Anglesey without considering Holyhead, and that we shall do.

Mr. Raffan: Will my hon. Friend tell the House what representations he has received on the urgent need to create an effective link between the A55 and the A548 to ensure that future industrial growth in Delyn will not be hampered? Will he also tell the House whether the Government would be willing to contribute towards the cost of the evaluation study of the proposed link, which Clwyd county council has promised to undertake?

Mr. Roberts: Among the 150 responses that I have received, I do not recall receiving the one that my hon. Friend mentions. Many of the people who responded are anxious to improve our communications infrastructure in order to assist industry. Of course, we pay special attention to the requirements for industrial developments, including those in my hon. Friend's constituency.

Welsh Water Authority

6. **Mr. Geraint Howells** asked the Secretary of State for Wales when he now expects the Welsh water authority to be privatised.

Mr. Robinson: It is expected that all water authorities will change their status to water supply plcs on the same day in 1987 following passage of the necessary legislation.

Mr. Howells: Can the Minister give an assurance to the people of Wales that if, and when, the Welsh water authority and the assets of the Severn-Trent water authority in Wales are privatised, the people of Wales will have the first opportunity to buy the shares, or will part of the assets be handed back to the city of Birmingham council?

Mr. Robinson: There will be every opportunity for the people of Wales and for those who work for the Welsh water authority to buy shares in the company when it comes to flotation.

Mr. Ray Powell: When the Minister talks to the chairman of the Welsh water authority about privatisation, will he also discuss security? Is he aware that last week in my constituency a boy of eight called Leighton Jenkins was found at the bottom of a sewage tank after 10 days of a massive search by police and residents in the Bettws area? Will the Minister see that an inquiry is conducted to ensure that in future all sewage and water works are properly secured against young children? Will he also ensure that there is an inquiry into the death of this constituent of mine, Leighton Jenkins?

Mr. Robinson: I cannot comment on the case of Leighton Jenkins, because I understand that it is still the subject of a coroner's inquiry. Security at Welsh water authority facilities — indeed, at all water authority facilities — is important, but it is a matter for the authorities themselves.

Mr. Best: Can my hon. Friend assure the people of Wales that after privatisation the interests of the consumer will be better protected by the Director General of Water Services than they are at present?

Mr. Robinson: I can tell my hon. Friend that the consumer will be better protected by the Director General of Water Services, and also by the procedures that we are instituting for consumer protection. It is intended to retain a simplified version of the present system, with a regional committee supported by three divisional committees in Wales.

Mr. D. E. Thomas: I am sure that the Minister will extend the sympathy of the House to the family of Leighton Jenkins, who was the victim of this appalling tragedy. Does the Minister accept that the section of the water authority land and reservoir facilities at Llyn Celyn in the Meirionnydd Nant Conwy constituency has long been the subject of contention in Wales? Does he also

accept that that reservoir was built by Liverpool corporation against the express wishes of the majority of the Welsh population and Welsh Members of Parliament? Finally, does he accept that there are people in the community who will not accept the re-privatisation of that structure and will want it to remain within Welsh public ownership?

Mr. Robinson: I extend deepest sympathy to the parents of the child. The security of children at any water authority installation is a matter of great concern, and I know that the water authorities do their best to try to ensure that children are protected. When problems occur the authorities will, of course, take the necessary action to try to improve the situation.

I do not accept that the privatisation of the water industry will be disadvantageous to the people of Wales. It will be a positive measure and will not only improve the water service throughout the Principality, but will lead to improved investment and progressively lower charges in terms of inflation.

Mrs. Clwyd: How can the Minister square his remarks about water privatisation with the document recently presented by Arthur Collins and Company about the privatisation of water services? That document is an independent financial appraisal of privatisation, and its authors have come to the conclusion that a private monopoly of water will lead to higher prices or poorer services, or probably both.

Mr. Robinson: All sorts of bodies can reach conclusions of that nature, but the Government have reached the conclusion that the water industry will be better off in the private sector and that it will open up great opportunities for the water industry. That is why we are pursuing that course.

Welsh Development Agency

7. **Mr. Knox** asked the Secretary of State for Wales what has been the total expenditure of the Welsh Development Agency since May 1979.

Mr. Nicholas Edwards: From 1 April 1979 to 31 March 1986 gross expenditure by the Welsh Development Agency totalled some £520 million.

Mr. Knox: What has been the average spent by the authority each year since the Government came into office and how does that compare with the average spent each year under the Labour Government?

Mr. Edwards: From April 1979 to March 1986 expenditure was at an average of £74·2 million a year, which compares with an average of £34·8 million a year under the previous Labour Government.

Dr. Roger Thomas: Will the Minister help us decide which are the correct figures for the numbers of unoccupied WDA factories in the borough of Dinefwr? Is it seven out of 27 post-1979, as the Welsh Grand Committee was told by the Under-Secretary, or 14 out of 24, the figure given to me by the chief executive of Dinefwr borough council and as counted by myself the other afternoon?

Mr. Edwards: If we are asked a specific question about that particular point, we shall provide an answer.

Mr. Barry Jones: Why, since 1979, has the right hon. Gentleman reimposed real terms cuts on the agency's budget while, at the same time, we have seen unemployment soar by 130 per cent.? Will he now sanction urgently more cash for the valleys' initiative, for the advance factory programme and for venture capital?

Mr. Edward: It is simply not true, as I told the hon. Gentleman in the Welsh Grand Committee, to say that there have been real terms cuts. He has made comparisons with the period when we had made substantial allocations to deal with the steel closure areas. As I have already told the House, we have built 90 per cent. of the advance factories built by the WDA. The WDA continues to have an important role, but we debated those matters at great length in the Welsh Grand Committee only the other day.

Mr. Wigley: As only £500,000 of the £25 million for factory building in the WDA's current programme will go to Gwynedd, will the Secretary of State have a word with the chairman of the WDA to make sure that the unemployed in Gwynedd get a fair crack of the whip?

Mr. Edwards: One feature of the WDA'S management of the factory programme is to keep the programme under continual review and to respond to need as it arises. In the Welsh Grand Committee debate I announced some additional factory provision in response to represenations that had previously been made and I shall draw the agency's attention to the representations now made by the hon. Gentleman.

Griffiths Report

10. **Mr. Coleman** asked the Secretary of State for Wales what representations he has received concerning the implementations of the Griffiths report in the National Health Service in Wales.

Mr. Mark Robinson: Since June 1984, when the circular setting out the arrangements for implementation of the recommendations of the Griffiths report in Wales was issued, my right hon. Friend has received some 46 representations about various aspects of the matter, from a variety of sources.

Mr. Coleman: Is the Minister aware that hon. Members have received considerably more representations than that from members of the professions in the NHS, such as nurses, medical authorities, scientists and physiotherapists, all of whom are expressing their anxieties at the manner in which the creeping bureaucracy is impinging upon their professional expertise in the NHS? What can that bureaucracy gain by sending people on expensive trips to the United States to find out how to run a national health service? What does that country know about it?

Mr. Robinson: On the creeping bureaucracy point, it is worth noting that management costs in the NHS in Wales have fallen from 5·2 to 4·3 per cent., even after the implementation of the Griffiths proposals. We have great confidence in the management procedures that are being put into practice in Wales. It is right for organisations to express their fears, but it is easy to leap to conclusions before the benefits of the implementation of such a management system are fully felt.

Sir Raymond Gower: Is it not a fact that when the management proposals in the Griffiths report were first promulgated there was a good deal of misunderstanding about them and that many in the medical and nursing professions felt that they would be excluded, but that that has not been the case?

Mr. Robinson: My hon. Friend is absolutely right. We have heard that nurses are feeling upset, but a chief administrative nursing officer has been appointed in every health authority in Wales, director of nursing services posts are being established and no fewer than four nurses have been appointed to unit general manager posts in Wales.

Education Provision

11. **Mr. D. E. Thomas** asked the Secretary of State for Wales when his Department expects to receive the report of Her Majesty's Inspectors' latest investigation into the effects of local education authority expenditure policy on education provision in Wales.

Mr. Wyn Roberts: My right hon. Friend has received the latest report "The Effects on the Education Service in Wales of Recent Local Authority Expenditure Policies: An Assessment by Her Majesty's Inspectorate" for the academic year 1984-85. It was published on 5 June and I have placed a copy in the Library.

Mr. Thomas: I congratulate the Welsh Office on publishing the report on the Friday before I asked my question in the House. Will the Minister ensure in future that the Welsh report is published in the current academic year or at least in the following year? We have the English report for 1985-86, but we are still awaiting the Welsh report for that period. Will the Minister accept that the latest Welsh report is a devastating critique of the Government's policies and that it shows how the fabric of Welsh education the buildings and the available resources are crumbling during his tenure?

Mr. Roberts: I think that the hon. Gentleman is wrong about the report. Our report corresponds to the English report that was published a short while ago. Incidentally, it is in our discretion whether we publish the report and when it is published.

I fear that the hon. Gentleman has clearly misunderstood the report, because its emphasis is on the fact that the quality of the provision is decided not just by the level of financial resources but, crucially, on how effectively available resources are managed. *[Interruption.]* I am interested to see the hon. Gentleman showing us a grotesque newspaper report of the document. I hope that he will read the document itself.

Mr. Rowlands: Is the Minister aware that, because of the lack of resources, schools are ill-prepared for the new examination? Many schools, including all those in my area, have not even seen the syllabuses, the teachers have not been trained, and above all, the parents have been left in the dark about the character and nature of the new examination system. Does the hon. Gentleman think that that is the best way to produce a major educational reform?

Mr. Roberts: It is important for the House to realise that record high resources are being devoted to the education service in Wales. We are giving £659·5 million in rate support grant in the current year and pupil numbers have been falling. As for preparations for the GCSE, I know that 36 of the 47 syllabuses have gone out to local education authorities, and the remainder will be going out very shortly. There have been more preparations and more expenditure for this examination than for any previous examination.

Sir John Stradling Thomas: Will my hon. Friend confirm that the opposition and other critics are as muddled as usual about the great problem of resource management facing local education authorities? I do not underestimate that problem, but will my hon. Friend confirm that he has discussed the matter with every local education authority in Wales and that on their own figures not on Welsh Office figures there has been no cut in resources? However, the problem of resource management remains to be resolved.

Mr. Roberts: My hon. Friend is absolutely right. In real terms we were spending £100 more per secondary school pupil in 1984 than in 1979-80. My hon. Friend is right to say that the problem is not the size of the resources, but managing them and getting value for money in education.

Mr. Barry Jones: The Minister's replies are unconvincing. Is he not ashamed of the fact that, after seven years, we now have worried parents, disadvantaged pupils and very, very shabby schools? In our county the school service is decaying while, under this Minister, the private sector has obtained enhanced grants. That is a disgrace.

Mr. Roberts: We have at least had the courage to publish such reports. Indeed, it is the fourth report to be published by the Government. The Labour Government did not have the courage even to commisssion a report. The report contains some very valuable issues for the consideration of local education authorities. Given that report, and the report of the Audit Commission, I repeat that sufficient resources are being devoted to education. The problem is getting proper value for the money spent.

CHURCH COMMISSIONERS

Redundant Churches (Southwark)

19. **Mr. Peter Bruinvels** asked the hon. Member for Wokingham, as representing the Church Commissioners, how many redundant churches there are within the diocese of Southwark.

Sir William van Straubenzee (The Second Church Estates Commissioner, Representing Church Commissioners): There are currently five redundant churches in the diocess of Southwark where the future of the church still has to be settled.

Mr. Bruinvels: Although I am pleased that there are only five redundant churches in the diocese of Southwark, may I ask whether my hon. Friend read an article in the *Church Times* of 9 May, which said that the incumbent of St. Swithin's church, Lewisham, the Rev. Barry Naylor,celebrated a holy communion service with the Rev. Kate Merriman? That is contrary to canon law and, in my submission, also contrary to the Ecclesiastical Jurisdiction Measure. Does my hon. Friend agree that should more——

Mr. Speaker: Order. Did that take place in a redundant church?

Mr. Bruinvels: Does my hon. Friend agree that if more such cases occur, many more churches may become redundant, and that the Church of England will be placed very much in jeopardy if more women are ordained?

Sir William van Straubenzee: I must make it clear that the Church Commissioners have no responsibility whatever for what takes place ecclesiastically in the diocese of Southwark or in any other diocese.

Mr. Simon Hughes: When it seems that churches may become redundant in any diocese, will the Church Commissioners contemplate allowing them to be used by other Christian denominations before they consider their use for totally secular purposes? Often, a multi-denominational use would allow a church building to retain its Christian purpose while not necessarily incurring a sole liability on the part of the Church of England.

Sir William van Straubenzee: Yes, Sir. I have often said in the House that using a church for another Christian purpose is the most favoured use of all. The hon. Gentleman may be glad to know that of the 38 churches in the diocese of Southwark to be declared redundant since 1 April 1969, 12 are now being used for worship by other Christian communities, one forms part of a new Church of England place of worship, and one is being used as a private chapel. In other words, almost half of them are being used for Christian purposes.

Building Conservation

20. **Mr. Chapman** asked the hon. Member for Wokingham, as representing the Church Commissioners, if the Church Commissioners have made any assessment of the state of conservation of those buildings under their control which enjoy exemption from listed buildings control.

Sir William van Straubenzee: The Church of England's statutory systems for the care and control of its churches include the regular quinquennial inspection of every church by an architect and ensures that neither the fabric nor contents can be altered without authority. Further, the Pastoral Measure contains statutory procedures for dealing with redundant churches. A listed Church of England church thus has a three times better chance of avoiding demolition than does a secular listed building.

Mr. Chapman: I am grateful to my hon. Friend for that information. It confirms that the Church of England's record on protecting its ecclesiastical architectural heritage is much more successful than that of the country in protecting its listed buildings. Does my hon. Friend agree that any attempt by the House to get rid of the ecclesiastical exemption would be a bad thing and would be — to use a perhaps not inappropriate phrase — tempting providence?

Sir William van Straubenzee: I am grateful to my hon. Friend for paying tribute to the Church of England's strict discipline in relation to its great heritage of ancient buildings. I share his view that that is a better form of protection than that provided by the state.

Mr. J. Enoch Powell: Will the Church Commissioners take steps to ensure that the visitation by archdeacons is used, as it is intended to be, as a means of ensuring that there are not continuing defects that will lead eventually to expensive disrepair?

Sir William van Straubenzee: When I reply that I believe so, it is because the Church Commissioners as such—as I know the right hon. Gentleman appreciates—have no direct responsibility for the work of the archdeacons. However, the right hon. Gentleman draws attention to one of the safeguards to which I referred in my main answer.

Equal Pay

21. **Mr. Greenway** asked the hon. Member for Wokingham, as representing the Church Commissioners, what progress has been made with the implementation of equal pay policies for employees of the Church Commissioners; and if he will make a statement.

Sir William van Straubenzee: The Church Commissioner's employees are paid in accordance with Civil Service scales. The implementation of an equal pay policy was completed in 1961.

Mr. Greenway: Do any open or clandestine plans exist to pay women priests and bishops equally with existing priests and bishops? Does my hon. Friend expect that to happen within his lifetime?

Sir William van Straubenzee: As to my lifetime, I am afraid that I can give no forecast whatever, but at the present rate of questions to the Church Commissioners I do not think that it will be very long. On the more serious topic, there is nothing clandestine about the activities of the Church Commissioners. They deal with the law as it is, and at present there are no female priests or bishops.

HOUSE OF COMMONS

Refreshment Department

22. **Mr. Wigley** asked the hon. Member for Berwick upon Tweed, as representing the House of Commons Commission, how many of the supervisory posts in the Refreshment Department are currently held by women and how many by men; and, of those appointed to such posts since 1979, how many were women and how many men.

Mr. A. J. Beith (On behalf of the House of Commons Commission): Of the 47 supervisory posts in the Refreshment Department, 10 are currently held by women and 37 by men. No figures are available for 1979, which was before the Refreshment Department became a Department of the House. Since 1980, 22 men and nine women have been appointed to supervisory posts.

Mr. Wigley: Within the figures that the hon. Gentleman has just given, how many positions as head waiter within the restaurants of the House are held by women? If, as I suspect, the answer is very few indeed, does that not show discrimination against women? Is he satisfied with that position?

Mr. Beith: I cannot give the hon. Gentleman the precise figure without notice. However, the larger part of the imbalance between women and men is accounted for not by head waiters but by the staff of chefs, where traditionally the largest number of people applying for those supervisory posts are men, and there are few women applicants. However, I shall look at the points made by the hon. Gentleman.

WALES

Water (Privatisation)

13. **Mr. Gareth Wardell** asked the Secretary of State for Wales what assessment he has made of the implications for job creation of the proposed privatisation of water in Wales.

Mr. Mark Robinson: The future development of the water industry will be a matter for the new water companies. The Government believe, however, that there will be opportunities to create new jobs through enterprise in such areas as tourism, leisure and a range of water appliances.

Mr. Wardell: As the Under-Secretary said in the House on 7 February 1985 that the water authorities were not state-owned but publicly owned, does he think that there would be better opportunities to create jobs if the shares in the new privatised companies were distributed as public wealth to the majority of householders who drink, bathe, fish and flush?

Mr. Robinson: That is an interesting proposal from the Opposition Benches. It is, I suppose, a new variation of give-away through state control. The Government believe that the way forward is to give the people of Wales an opportunity to own shares in the water industry. Currently, under the Water Act 1973 the Welsh water authority – indeed, all water authorities – is in the ownership of the Government.

General Certificate of Secondary Education

14. **Dr. Roger Thomas** asked the Secretary of State for Wales what is Her Majesty's Government's policy towards voluntary donations by parents towards the cost of introducing the general certificate of secondary education.

Mr. Wyn Roberts: It is the statutory duty of local education authorities to provide suitable education for their pupils. If voluntary contributions are invited it should be made clear that no child will suffer any detriment because his or her parents are unable to make those contributions.

Dr. Thomas: Is it not the position that headmasters in Wales have reached the stage where they are perhaps panicking and demanding of parents between £5 and £10 per pupil? If these payments are not made, there is no guarantee that the new examination will be introduced successfully.

Mr. Wyn Roberts: I disagree with what the hon. Gentleman has said about the introduction of the new examination. We are now getting the will and the commitment of the teachers. I have already said that the syllabuses are out. Thirty six out of 47 have been issued and the remainder will be out shortly. I stand by what I have said about parental contributions. There may be parental contributions, but that does not mean that children whose parents are unable to contribute should suffer.

Young People (Job Vacancies)

15. **Mr. Ron Davies** asked the Secretary of State for Wales how many job vacancies for young people presently exist in Wales.

Mr. Wyn Roberts: There are approximately 11,000 current job vacancies registered at jobcentres and careers offices and these are believed to represent only about a third of the total number of vacancies available. Information held centrally does not specify whether there are age restrictions on particular vacancies.

Mr. Davies: Does the Minister accept that if he were to take the trouble to find the exact figures he would realise that there are virtually no job opportunities for young people, especially in south Wales? Does he understand that this is in stark contrast to the propaganda that he and his colleagues in the Welsh Office keep trotting out week after week?

Mr. Wyn Roberts: I think that it is the hon. Gentleman who is trotting out propaganda. There are jobs available for young people in south Wales. It is estimated that about 49 per cent. of young people who go on the YTS are found to have jobs three months after leaving the scheme. There has been an extension of the YTS and a number of relevant announcements were made in the Budget statement, including the extension of the enterprise allowance scheme and the introduction of the new workers scheme, both of which will be helpful to young people.

HOUSE OF COMMONS

Sitting Days

24. **Mr. Peter Bruinvels** asked the Lord Privy Seal if he has any plans to seek to reduce the number of sitting days per Session.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): No, Sir.

Mr. Bruinvels: I was one of the hon. Members who successfully reduced the number of days that the House sat last week, and I deeply regret that there is to be no change in the number of days that the House sits each year, bearing in mind that it sits for more days than any other Parliament in western Europe. On average, the House sits 170 days a year. Will my right hon. Friend give serious consideration at least to reducing some of the business that is brought before the House and thus reducing the number of days that we sit each year?

Mr. Biffen: If my hon. Friend's contribution to shortening the number of days on which the House sits was to speak at 8.28 in the morning for one minute, I must say that that was a well-judged achievement. I must tell him that I do not think that the House would wish its arrangements to be seriously disturbed unless there was an entirely different understanding about how we process legislation. That is not something that is merely in the keep of the Government or supporters of the Government. The number of days on which the House has sat has remained broadly the same over the past decade, but my hon. Friend has raised an issue that can always be considered by the Procedure Committee.

Mr. Foot: As the Leader of the House has followed with such obvious care the detail of what was said throughout that night of squalor and disgrace last Thursday, will he tell us why he did not at some stage in the proceedings step in to try to prevent what was happening? None of us can believe that he wanted the House to demean itself in such a way. We have been told that the Prime Minister was in

favour of the course that was taken, but we cannot believe that the right hon. Gentleman was. Why did he not intervene to stop what was happening when he knew that he had the power to do so?

Mr. Biffen: The right hon. Gentleman is overplaying that point. I took care to note the contribution of my hon. Friend the Member for Leicester, East (Mr. Bruinvels) because he is a persistent questioner. I thought it only courteous to acquaint myself with his recent contribution to reducing the number of days on which the House sits. Unlike the right hon. Gentleman, probably, I was in the House throughtout Thursday evening. I noted that no attempt was ever made to move the closure of any of the debates. That is the answer to those who believe that there was a filibuster.

Sir John Biggs-Davison: Will my right hon. Friend — a Tory and a churchman — seek to ensure that once again Whit Monday shall not be a sitting day?

Mr. Biffen: I must confess that, of all the supplementary answers that have been prepared for me on this subject, doubtless because some of my advisers have doubts about my being either a Tory or a churchman, they had not anticipated that, but I shall certainly consider it.

Mr. Shore: The hon. Member for Leicester, East (Mr. Bruinvels) has brazenly confessed his own role in the proceedings last Thursday night, which resulted in the loss of one day's sitting. The Lord Privy Seal has been much more coy, but will he now take this opportunity to express his regret and condemnation of what was a disgraceful manoeuvre, and for the part played in it by his right hon. Friend the Chief Whip, and, indeed, the Prime Minister? Will he assure the House that, if he has any plans to reduce the number of sitting days, they will not include the west Lancashire solution — the organised filibuster to wipe out a private Members' day?

Mr. Biffen: No, I shall give none of those undertakings or signs of contrition which have been sought by the right hon. Gentleman. Indeed, if we are to give the matter any degree of seriousness, I should say that the House would be well served by referring to the Crossman diaries, and to Friday 26 March, when they elaborated a stratagem——

Mr. Campbell-Savours: Two wrongs do not make a right.

Mr. Biffen: No. It is a little too sensitive. It involved a stratagem which I think redounds with very little credit upon those who took it.

Mr. Simon Hughes: On the same subject, I hope that, none the less, the Leader of the House will accept that there is a difference between using parliamentary tactics to lose public or Government business, and using Government party tactics to obliterate private Members' business, from whichever party the private Member comes. Is the right hon. Gentleman prepared at least to look at the mechanisms so that the limited part of our time given to private Members is protected in future against any mechanism of contrived extension of Government or other official business?

Mr. Biffen: I repeat that I stand here with no sense of contrition about what happened last week. Those who want to engage in any historical analysis could well profit from looking at what happened on the famous occasion on 26 March 1965. If the hon. Gentleman believes that this is a point of substance, he has his own remedy, by turning to the Procedure Committee.

Sir David Price: Does my right hon. Friend agree that the best way to achieve what my hon. Friend the Member for Leicester, East (Mr. Bruinvels) requires would be for the House to concentrate more upon the quality rather than the quantity of legislation? With that aim in mind, will my right hon. Friend explain to my right hon. Friends on the Front Bench and to the parliamentary draftsmen that the Almighty, in his legislation, was rather more precise and succinct than the Government are today, and that the Almighty did it all in 10 Commandments — 10 clauses — and did not need to go to schedules or statutory instruments?

Mr. Biffen: I note what my hon. Friend says. I am sure he will realise that those words have echoed down the centuries. Meanwhile I suggest that in the usual channels we have the slogan, "Nearer my God to Thee."

New Parliamentary Building

25. **Mr. Greenway** asked the Lord Privy Seal if he will make a statement on progress with plans for the new parliamentary building; and if he will provide an estimate of its costs; and if he will make a statement.

Mr. Biffen: Detailed plans for the redevelopment of the area between Parliament Street and Cannon Row are now well advanced. Construction work is expected to start next year for completion in 1990. The overall cost is estimated at £31·5 million at cash prices. Plans for the second phase, comprising the area between Cannon Row and the river, are still at an early stage. It would be premature to give a figure of the likely cost.

Mr. Harry Greenway: Can my right hon. Friend tell the House what facilities will be transferred from this building to the new parliamentary building? In considering the further use of the vacated space in these buildings, will he take account of the fact that many meetings cannot take place in the House because there is so much pressure on Committee Rooms from party Committees and all-party Committees? Will he further consider the need for facilities for interviews between hon. Members and their constituents, particularly because now, on days when there are big lobbies, people have to see constituents in corridors, in quite impossible circumstances?

Mr. Biffen: The accommodation that will be made available by the new building should offer offices for 60 hon. Members and for 100 secretaries. The Services Committee has been considering space being made available by people leaving the Palace of Westminster for the new building. I believe that it will intend that, as far as possible, priority will be given to Members' accommodation rather than additional Committee rooms.

Mr. Boyes: May I offer my usual greetings to the Lord Privy Seal from my dark, damp, dingy desk in the dump known as the Cloisters? Before he gives me his usual answer, which is that he spent many happy hours there, may I offer him a swap for a fortnight so that he can remember how happy were his hours down in the Cloisters, while I work in his office? On a more serious note, is he aware that in Strasbourg, when the new, directly elected Members of the European Parliament arrived, they

did not have any offices, but that within nine months offices were provided for 500 Members? Why is it taking so long to build these offices, or is this just another Government filibuster?

Mr. Biffen: The construction time for the premises is going broadly to forecast. As for the hon. Gentleman's first question, I only hope that, when the time comes, he will appreciate the considerable expansion of offices which are implicit in the Bridge street site and that perhaps he will be able to have happier accommodation, although I have to say that his present accommodation was perfectly happy in my day.

Oral Questions

26. **Mr. Winnick** asked the Lord Privy Seal if Her Majesty's Government plan to bring forward any changes in the arrangements for Ministers to answer questions in the House.

Mr. Biffen: No, Sir.

Mr. Winnick: Would it not be appropriate for the Government Chief Whip to be able to answer questions so that he can try to explain and justify the disgraceful way in which Tory Members acted last Thursday night? Is it not the case that the Government Chief Whip has been requested to appear before the 1922 Committee? Quite a number of Conservative Members have publicly denounced the antics of their colleagues. How can the Conservative party declare itself in favour of free speech and the rest when it gags free speech in the House of Commons?

Mr. Biffen: I have already dealt with this matter at some considerable length on the first question that was put to me this afternoon. There are no plans to have the Chief Whip on the question roster. That would require the agreement of the usual channels and, at the moment, I have no indication that that will be forthcoming.

Mr. Stokes: Will my right hon. Friend make no changes whatever in the way in which Ministers answer questions in the House as, surely, it is the most distinctive contribution which this House makes, which is very much better than many other Houses of Parliament in other countries?

Mr. Biffen: That is an extremely helpful supplementary question and I shall try to reciprocate by giving rather better answers.

Private Members' Business

3.32 pm

Mr. Alan Williams (Swansea, West): On a point of order, Mr. Speaker. You will recollect, as it has been commented on today, that on Friday we lost one of our few debates in private Members' time as a result of the devious machinations of the Government Chief Whip, with the furtive endorsement of the Prime Minister as far as we can gather. I have read the rulings that you gave on Friday and would in no way challenge them. I wish to raise a completely new point, on which I would welcome your ruling.

I submit that the House is entitled — we are not asking for a discretionary concession — to a replacement Back-Bench day in lieu of Friday.

Mr. Peter Bruinvels (Leicester, East): Absolute nonsense.

Mr. Williams: The hon. Gentleman says, "Absolute nonsense", but I remind him that he, as a Back Bencher, has every bit as much interest as the rest of us in protecting Back-Bench time.

At column 1336, Mr. Speaker, you ruled that at 9.31 am, we were still discussing Thursday's business. According to a convention that we well understand, because we had gone beyond 9.30 am, Friday did not exist. Friday did not exist as a parliamentary day, as is shown by the *Official Report*. Further down the column you said:

"The House itself decides how many days should be set aside for Back-Bench motions and Back-Bench time generally. It is not a matter for the Chair." [*Official Report*, 5 June 1986; Vol. 98, c. 1336.]

I accept entirely that it is not a matter for the Chair. The House has passed a resolution specifying the number of parliamentary days that there must be for Back Benchers, and it is a matter for the Chair to ensure that the House has the number of days that have been allocated. As Friday did not exist as a parliamentary day, it cannot count as one in terms of the resolution specifying the number of days available to Back Benchers. Therefore, Back Benchers are entitled to have that day restored to them.

If I am correct in my interpretation that Back Benchers are owed a day — I would appreciate a ruling, although I am happy not to have it immediately — would the ballot that has already taken place for that day stand, and would my hon. Friend the Member for Linlithgow (Mr. Dalyell), who won the ballot, have a right to his day?

Sir David Price (Eastleigh): Further to that point of order, Mr. Speaker. A supplementary point to the events to which the right hon. Member for Swansea, West (Mr. Williams) referred also relates to defending private Members' time. You and the House will recall that a number of hon. Members on both sides of the House drew attention to the difficulty about the Friday that never was during the Adjournment debate of my hon. Friend the Member for Southampton, Itchen (Mr. Chope). I rose to speak, but was interrupted perfectly fairly on points of order. That cut into my hon. Friend's time. Is there any "injury time" if during an Adjournment debate a substantial number of points of order are made perfectly properly which interfere with the half hour dedicated to that debate? That should also be taken into consideration.

Mr. Michael Foot (Blaenau Gwent): Further to that point of order, Mr. Speaker. I wish to submit a further consideration on this matter, especially as the Leader of the House has said today that he has no sense of contrition about what has happened and, presumably, would not be willing to intervene in the event of similar circumstances occurring. If this precedent is to be followed, private Members' time will constantly be under threat by a resort to similar methods. When you consider the matter and advise the House, will you also take that into account, because it would be easy to wreck almost every Friday, and soon the House would have to take steps to reconstitute private Members' rights? Some of us think that the Leader of the House and the majority party could have taken those steps already. If they will not take them, the House certainly will.

Mr. David Winnick (Walsall, North): Further to that point of order, Mr. Speaker. Back-Bench days are precious to Back-Bench Members because the amount of time that we have compared with that of the Executive is, understandably, little. It is well known, and has not in any way been disputed, that the Prime Minister found the motion of my hon. Friend the Member for Linlithgow (Mr. Dalyell) offensive. Indeed, the Leader of the House used that expression last week. Obviously, the Prime Minister was involved in denying my hon. Friend his debate. I do not think that that is in dispute, and I accept that that is not a matter for you.

To return to the important point raised by my right hon. Friends the Members for Swansea, West (Mr. Williams) and for Blaenau Gwent (Mr. Foot), if next time a Labour Member wins the ballot and the same words are used in the motion — that is a possibility, because this is Parliament and when we are denied the right to put our case we find other ways and means — and the motion is seen as censuring the Prime Minister and her conduct over the three important matters in my hon. Friend's motion, which was not debated, are we to have a repeat and

Mr. Speaker: Order. The hon. Gentleman is going into the merits of the case. That is not a point of order for me.

Mr. Winnick: We believe that you should help us in your role as Speaker if the Executive goes out of its way to deny a Back-Bench Member his debate when he is lucky in the ballot, which is rare. What protection can we have? If the Prime Minister, the Executive and all the Government forces deny us that opportunity, surely at the end of the day all that we can do is ask you for your protection.

Mr. Eric Forth (Mid-Worcestershire): Further to that point of order, Mr. Speaker. You will recall, because you were in the Chair at the time, that I was one of the Back-Bench Members who were seeking to participate in the Channel tunnel debate on Thursday night. You will also recall that such was the interest shown in the debate by Back-Bench Members that I had to curtail my remarks at 9 am on Friday, in deference to the wish of the House to proceed with the business. I hope you will take into account the fact that such was the legitimate interest in the debate on the Channel tunnel and its importance that the debate carried on through the night and I had to curtail my remarks at 9 o'clock the following morning.

Mrs. Elaine Kellett-Bowman (Lancaster): Further to that point of order, Mr. Speaker. If you are to consider this matter, will you also reflect on the fact that not just one but many hon. Members attended the Chamber to debate

[Mrs. Elaine Kellett-Bowman]

the Unborn Children (Protection) Bill, and that Labour Members insisted on spending the entire time moving a by-election?

Mr. Harry Greenway (Ealing, North): Further to that point of order, Mr. Speaker. If Friday last does not exist in parliamentary terms, would it be true to say that the ballot does not exist? I say this as one who does not mind whether or not the hon. Member for Linlithgow (Mr. Dalyell) speaks, as long as I do not have to listen to him.

Mr. Jerry Hayes (Harlow): Further to that point of order, Mr. Speaker. If the Opposition feel so terribly upset at being denied an opportunity to debate a motion of censure on the Prime Minister, is not the remedy in their own hands? They must ask for a debate.

Mr. D. N. Campbell-Savours (Workington): Further to that point of order, Mr. Speaker. I was elected in 1979. One night, when an agreement had been made through the usual channels between the Whips, I exceeded by five minutes the agreement that had been reached, which was that I should speak for only five minutes. Following that debate the then Chief Whip came to me and privately deprecated what I had done. I always remember what he said, as he was most bitter in his criticism. He said, "This place lives by agreements." As I understand it, a resolution of the House provides for the allocation of time. That resolution was born out of discussions through the usual channels, and so is subject to the principle which I believe in the usual channels is referred to as "best endeavours".

Last week, within the orbit of the best endeavours agreement, the Government broke that agreement by inciting Back Benchers to filibuster. In doing so they undermined the agreement which they had put to the House and which became a resolution when it was carried by a majority of hon. Members. I ask you to deprecate any action by any Whip that leads to undermining an agreement made through the usual channels.

Mr. Andrew Faulds (Warley, East): Further to that point of order, Mr. Speaker. The hon. Member for Mid-Worcestershire (Mr. Forth) — I think that that is the area that suffers from his overlordship — made the comment that he had had to curtail his speech at 9 am on Friday. I had left the House by then. If that is the case, he is about the only hon. Member in the whole of the filibuster who did so. I sat here until the wee small hours of Friday morning — the morning that does not exist in parliamentary terms — and not a single honourable filibusterer curtailed his remarks. There was a repetition and regurgitation of rubbish hour after hour. It was quite clear that some Conservative Members, and even some right hon. Members, were taking part in an exercise to defend the Prime Minister, who obviously has something to hide.

Mr. Speaker: Order. I have allowed this matter to run because I have sympathy with the hon. Member who lost his place on Friday. It is true that Friday 6 June was a designated day under the resolution of the House on 7 November. However, the House well knows that if a debate runs over, as it did on Thursday night and Friday beyond 9.30 am, the day's business is lost. I have no authority to do as some hon. Members would wish. It would require a resolution of the House to nominate another specific day, and that is best discussed through the usual channels.

Mr. Williams: Further to that point of order, Mr. Speaker. May I invite the Leader of the House to respond sympathetically to any such representations from this side of the House?

Mr. Speaker: Order. I cannot add any more.

Later

Mr. Peter Shore (Bethnal Green and Stepney): Further to the point of order about the lost Friday, Mr. Speaker, about which we have heard a great deal. We are grateful to you for your clear ruling and guidance. It is now plain that it is open to the House to restore the lost rights of private Members by a resolution of the House. As you rightly said, this matter should be considered by the usual channels. I think that it is appropriate, in the presence of the Leader of the House, who has a key involvement in the matter, for you to ask him to respond positively to our invitation and to take the lead in restoring the rights of Back Benchers.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I can add nothing helpful in answer to the questions. If the right hon. Member for Bethnal Green and Stepney (Mr. Shore) wants to use the offices of the usual channels, that is a matter for him.

Official Report

3.45 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): On a point of order, Mr. Speaker. During the economic debate last week there were a number of interruptions on points of order, when I was speaking, by Conservatives Members who wanted to stop me from criticising a man called Mohammed Fayed, the anti-Semitic fraudster who runs Harrods. When that happened you intervened and made a number of rulings, and there came a point when I was standing on my feet in this particular position. I had the Floor of the House and I said quite clearly, so that everyone could hear — I have checked it with the radio — that I felt, rightly or wrongly, that I was being denied the right to free speech, that I was not going to continue my speech and that I was going to walk out. I then walked out. I do not want to go over the merits of that, Mr. Speaker, but in fact I have had a look at *Hansard* and none of that is referred to at all. The whole incident has effectively been wiped out. I have been to see the Editor of *Hansard*, and he said that that was a mistake.

I have another point, Mr. Speaker, which is that, without knowing that, when I corresponded with you — I do not want to go into what is in the correspondence — you replied to me on the basis of what was in *Hansard* and not what I said. You also quoted something that I said as an accurate quotation from *Hansard*, but which is not an accurate quotation of what I said because that was wrong. *Hansard* told me that it deliberately changed that in order to improve what I said. The combination of the omission and of the so-called improvement was actually calculated, although possibly not designed, to make me look very silly. I do not mind that because that is a fairly usual state for me. But what I say is that if we are moving into an era when there are to be allegations that Conservatives are turning this Parliament into a denial of free speech we do not want *Hansard* associated with that. I ask that a corrigendum be put in.

Mr. Speaker: Order. I think that if the hon. Gentleman looks at *Hansard* of 5 June he will find that that did happen. The hon. Gentleman should look in column 1194. None of us in this place should ever destroy our speeches. I am sure that his admirable remarks can adequately be made on Friday of this week and will be in order — *[Interruption.]* Well, I do not know whether everyone will agree they are admirable!

STATUTORY INSTRUMENTS, &c.

Ordered

That the draft Pool Competitions Act 1971 (Continuance) Order 1986 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Biffen.]*

Orders of the Day

National Health Service (Amendment) Bill

Not amended (in the Standing Committee), considered.

New Clause 1

LIFTING OF ALL CROWN IMMUNITY

'For all purposes:—

(a) a health authority shall not be regarded as a servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown; and

(b) premises used by a health authority or provided by a health authority for use by health authority staff shall not be regarded as property of or property held on behalf of the Crown.'. *[Mr. Dobson.]*

Brought up, and read the First time.

3.49 pm

Mr. Frank Dobson (Holborn and St. Pancras): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to take the following:

New clause 2—*Application of Rent Acts to health authority*—

'For the purpose of the Rent Acts:—

(a) a health authority shall not be regarded as a servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown.'.

(b) premises used by a health authority or provided by a health authority for use by health authority staff shall be regarded as property of or property held on behalf of the Crown.'.

New clause 3—*Application of health and safety legislation to health authorities*—

'1.—(1) for the purposes of the health and safety legislation:

(a) a health authority shall not be regarded as the servant or agent of the Crown, or as enjoying any status, immunity or privilege of the Crown; and

(b) premises used by a health authority shall not be regarded as property of or property held on behalf of the Crown.

(2) The appropriate authority may by regulations provide who is to be treatd as the user, occupier or owner of any such premises for any of those purposes; and

(3) The powers to make regulations altered by subsection (2) above shall be exercisable by statutory instrument.

(4) A statutory instrument containing regulations made in the exercise of the power conferred by that subsection shall not be made unless a draft of the instrument has been laid before Parliament and approved by a resolution of each House.

(5) Section 125 of the 1977 Act and section 101 of the 1979 Act shall have no effect in relation to any action, liability, claim or demand arising out of the health and safety legislation.'.

New clause 5—*Health Authority Premises*—

'No. premises, owned or used by health authorities, including residential accommodation used by or tenanted by health authority employees, shall be regarded as the property of or property held on behalf of the Crown.'.

Amendment No. 62, in title, line 2, after 'food', insert 'and health and safety.'.

Mr. Dobson: When one looks at any of the learned tomes, one finds that the concept of Crown immunity

[Mr. Dobson]

comes to us, as it is described, from time immemorial. An explanation is offered that laws that were the King's own laws could have no jurisdiction over the King. It is on that basis that Crown immunity still exists. At the time that that concept was formulated we lived in a primitive society. Under this Government many people are reverting to living in a primitive society, but not in the sense that I am talking about.

At the time that the concept of Crown immunity came into operation and became hallowed by use, it was a simple state, which had few functions. Since then the state has taken on a multiplicity of functions, there are a multiplicity of laws, and there are a multiplicity of Government agencies responsible for enforcing those laws. In the more complex and, some would claim, more sophisticated society that we now have, Labour Members claim that the concept of Crown immunity is time expired. It has no place in our current society.

Crown immunity was first substantially undermined —if that is the right word—by the Crown Proceedings Act introduced by the Labour Government in 1947. It was felt necessary to move with the times and at least give individuals the opportunity and right to sue the Crown for damages. However, the Crown Proceedings Act does not permit criminal proceedings against the Crown or any of the agencies presently covered by Crown immunity. As a result, many laws do not apply to Crown property or to Crown institutions.

We find ourselves in the strange position that a health authority can be sued by an injured individual in the civil courts, possibly over being poisoned as a result of something going wrong in a kitchen, but the health authority cannot be prosecuted under the criminal aspects of the food hygiene regulations that the authority was breaking. It is not simply the food hygiene regulations that do not apply to hospitals and Health Service property. The general health and safety legislation does not apply. Recently, the Secretary of State for Social Services made it clear that the Rent Acts do not apply to Crown property, at least as far as the National Health Service is concerned. Who benefits from the existence of Crown immunity? The answer seems to be literally no one, because the existence of Crown immunity leaves hospital more dangerous than they could be and should be for both patients and staff.

If Crown immunity has lasted since time immemorial, should it be kept for that reason alone? We might argue for that in relation to the armed forces or for one or two aspects of Crown activity that have gone on since time immemorial, but in the case of the National Health Service and hospitals, Crown immunity arrived with time immemorialness on 5 July 1948. When hospitals were owned by private charities or municipalities, Crown immunity did not apply. Crown immunity is not even hallowed by time. It is certainly not hallowed by any sense of justice, logic or common sense.

The position is exactly the reverse in the Post Office, which used to be a Government department but became a nationalised industry. On vesting day, when the Post Office became a nationalised industry and ceased to be a Government department, Crown immunity disappeared in a trice. Apparently no one thought that that would be harmful, damaging, expensive or likely to undermine the state.

We believe that there is no justification in logic for the maintenance of the concept of Crown immunity in its application to Health Service properties. This Government have rejected that idea time and time again and, to be fair to them, previous Governments had done so as well, but a combination of extremely bad publicity about the conditions prevailing in NHS kitchens and long-term campaigns by the Institution of Environmental Health Officers and by a considerable number of trade unions, supported by the Royal College of Nursing and the British Medical Association, forced the Government to reconsider the position.

The campaigns were strongly supported by the new media, which found that they gained attention for their programmes and papers if they displayed vast piles of rotting refuse in a kitchen or to use the example of a hospital that is outside my constituency but serves it made the Royal Free cockroach probably more famous than the Royal Free hospital itself. It reached the stage at which someone wrote in my local newspaper that he or she did not mind the Royal part but would really like it to be the Cockroach Free hospital. Such publicity gradually drove the Government into at least considering abandoning the concept of Crown immunity in relation to hospital kitchens.

The final blow that forced the Government to give way altogether was the incident and then the report of the inquiry into the severe outbreak of food poisoning that led to more than 20 deaths at Stanley Royd hospital in the Wakefield health district. It is worth repeating that the Stanley Royd hospital—in which in the fourth quarter of the 20th century people were attempting to provide a decent service and decent care and meals for patients—was built when Napoleon was alive in 1818 as the West Riding Paupers Lunatic Asylum. It would be useful for the House to bear that fact in mind when discussing this series of new clauses and the other amendments relating to the lifting of Crown immunity. From 1818 to 1948 Stanley Royd hospital was not protected in any way by Crown immunity. That protection has been needed only since 1948, when it became part of the NHS.

As a result of all the publicity, the Government decided —we welcome their decision—to end Crown immunity in so far as it applied to the food regulations. We believe that we should get rid of Crown immunity altogether in relation to all NHS premises, and there are a large number of reasons for advocating that course. In that part of the economy that is outside the Crown, if there are serious offences relating to health and safety, the appropriate people from the Health and Safety Executive issue enforcement notices. If a Crown property is involved— in this case an NHS property — they issue Crown notices. If it is non-Crown property, they can institute legal proceedings against those responsible for health and safety offences being committed. If, having issued a notice, it is not complied with by the deadline set down in the notice, the Health and Safety Executive can prosecute, even if it had not decided to do so at the outset.

A health authority cannot, however, be prosecuted either at the outset or if it fails to take action within the period of time laid down in the Crown notice. It follows, as night follows day, that without that threat there will be less outside regulation by the HSE and its staff and that the people working within the Health Service will not take the concept of health and safety at work as seriously as it

is taken by those outside the Health Service and as seriously as they would take it if the notices and investigations could be followed up by court proceedings.

4 pm

Substantial delays occur in the implementation of Crown notices. Health authorities are slower than those who are not covered by Crown immunity to do what the HSE thinks is necessary. Again that follows from the fact that health authorities cannot be prosecuted if they do not do it or, or if they are slow to do it. That is damaging. It means that for an HSE inspector to take action over Health Service premises is much more of a bind, much more troublesome and much less immediately productive than his work on premises where the HSE has the necessary statutory powers.

All hon. Members recognise that each human being responds to either incentives or difficulties. If we permit to continue a system that leads to frustration for HSE inspectors when they try to do something about NHS premises, we should not be surprised if they are not so enthusiastic about that work as about their other work.

It is usual for the HSE to make surprise visits to premises that are not covered by Crown immunity. The forewarned visit to premises is a useful technique for getting premises tidied up temporarily, but if premises are to be made permanently safer and healthier the threat of a visit that has not been forewarned is very important. However, the HSE may not make surprise visits to health authority premises without the prior consent of the health authority. That may sound as though the surprise visit is no surprise at all. I do not suggest that the HSE needs to obtain consent on every occasion when it intends to make a surprise visit, but it needs in advance a blanket agreement from the health authority that surprise visits will be permitted. I am told by the staff involved that that consent is not always as readily forthcoming as we might expect from public bodies that are supposed to obey the laws that have been passed by this House.

There is also clear evidence that Crown notices are used less frequently than the notices that are issued to employers who are running other premises. Again the reason is that it is not worthwhile from the point of view of hard-worked HSE inspectors, whose numbers have already been reduced. However, there is an anomaly. Although a health authority which may have failed to provide funds to make a kitchen safe, clean and decent cannot be prosecuted, the individual managers can be prosecuted. If I were a manager, that would be most offensive to me. I should find it most offensive that my gaffers, who had made my life impossible, could get away with it but that I could be gaoled. That is completely unreasonable.

It has another effect. Faced with the possibility of individual prosecution, in the absence of the ability to prosecute the authority as a whole, managers have been observed to try to spread the responsibility among several of them so that none of them is individually responsible for the prevailing circumstances. It is understandable that they should try to camouflage their activities and render themselves less liable to individual prosecution. It is a normal human response, even if we do not welcome it.

If individuals can be held responsible but not the organisation that employs them and fails to supply them with the necessary resources to do their job, it amounts to statutory hypocrisy and we ought to get rid of it. Therefore, the concept of Crown immunity ought to disappear altogether. The Government intend to get rid of it in hospital kitchens, but the Opposition see no reason for getting rid of Crown immunity relating to the food regulations but keeping it for other parts of hospital premises and for other hospital functions. In particular, we are very doubtful about its continued application to health and safety.

Some Conservative Members who served on the Standing Committee will have heard me say, but it is worth emphasising it by saying it again, that hospitals are extremely dangerous places. They are more dangerous than most industrial and commercial premises. Most hospital patients are full of germs, and most hospitals carry out dangerous processes. On the premises of most hospitals there are large amounts of dangerous drugs and substances which, if used carefully, may be beneficial, but which can cause trouble if they are not properly handled, or if there is slack control over what goes on.

Furthermore, most hospitals are full of extremely dangerous and horrible refuse. I refer to clinical waste and to things cut from people, sucked from people or dragged from people. Hospitals are also full of what hospital employees call "sharps" — that is, implements that can cut people. They, too, are very dangerous. There are few premises in this country, including nuclear installations, which in a day-to-day sense, are so intrinsically dangerous to the people who work in them as hospitals. This is a threat to the health and safety of both patients and staff.

When patients go into hospital they assume that they will be made better, that their lives will be saved and that their pain will be eased. Patients are entrusted to the National Health Service on those grounds, but many of our hospitals are breaching that trust. There is a great deal of cross-infection. For example, post-operative infection has increased in the National Health Service since this Government came to power, but it is not listed among the Government's achievements when the Secretary of State for Social Services or the Prime Minister refers on television to the National Health Service. There has been a 14 per cent. increase in post-operative infection since 1979. We all know from what happened at the Stanley Royd hospital that salmonella poisoning is a fairly commonplace complaint in our hospitals. We also know from the incident on which a report was made last week that legionnaire's disease has killed a number of people in our hospitals.

Many hospital buildings are of poor design and many are in a poor state of repair. There are poor standards of cleanliness and hospitals are full of dangers to staff and patients. People can suffer from falls, and heaps of rubbish lying about can lead to fires. Society and Parliament are asking people to do things for us and our constituents, and we owe it to the patients, staff and visitors to make hospitals as safe as possible. We are simply not doing that. One reason for that is that, compared with the need for health and safety at work in other premises, and because of how the law stands, officialdom sees hospitals as different. I am talking about officialdom in the hospitals and officialdom outside. Inspectors see the hospital premises as different, and so do the inspected.

There is an assumption, which history suggests is wholly false, that people running hospitals know about health and safety and about how to keep people in hospitals healthy and safe. All the evidence suggests that outside the specialist fields in which they operate few

[Mr. Dobson]

people in hospitals know how to do that. I can give an example by citing something that occurred in my constituency a year or two ago.

Someone was unfortunate enough to die of smallpox as a result of work carried out at the London School of Hygiene and Tropical Medicine in my constituency. In the course of the inquiry into that outbreak the staff of the environmental health department, or, as the outbreak may have occurred before local government reorganisation it may have been the health department of the London borough of Camden, was closely questioned about why it had permitted certain practices at the London School of Hygiene and Tropical Medicine in dealing with smallpox. The answer given by the staff was that it would have needed official advice on how to advise others. The QC conducting the inquiry asked where the advice would have been sought. The staff replied that it would have been sought from the London School of Hygiene and Tropical Medicine because it was reasonable for the staff to assume that the people at that school knew better than anyone else in Britain how to deal with smallpox. They manifestly did not, because they were not even keeping to their own rules. That is an example of what can happen.

The Rent Acts do not apply to Health Service premises or to premises owned by, or, as far as I can make out, leased by, or run by the health authorities. Crown immunity intervenes in a civil court relationship, and not just in relation to criminal proceedings. The non-application of the Rent Acts to hospital residential premises has become more important because of the Rayner review, which the Government have accepted and which suggests that the Government should get on with disposing of nurses' homes as quickly as they can in order to raise money.

I think that it was on 24 March that the Secretary of State gave me an undertaking that no health authority would take court action to turn a nurse out of accommodation in which the nurse wanted to remain. No caveats or reservations were expressed when that undertaking was given. It was later discovered that in the West Surrey and North-East Hampshire health authority a nurse was being put out of the premises in which she lived and that the health authority was resorting to the county court to get her out. That appeared to be in breach of the undertaking given by the Secretary of State. To add insult to injury, the Secretary of State joined his name to that of the health authority in the court action that the authority was taking against the nurse.

The right hon. Gentleman has since arranged for the Minister to explain to me rather belatedly that what he said in the House related only to property owned by the health authority. He did not say that at the time, and in any case large numbers of health authorities do not own the freehold of nurses homes, especially in central London and in other big cities, where hospitals tend to have long leaseholds.

Are we to understand that the plain undertaking given by the Secretary of State to the House does not apply unless by a quirk of fate the health authority happens to own the freehold of the property in which the nurses are living? That strikes me as a bit odd, because the next stage in the case in West Surrey and North-East Hampshire was that although the health authority did not own the premises from which the nurse was being chucked out, the Secretary of State's plea in the court was to be that the Rent Act did not apply to him because he had Crown immunity. He cannot have it both ways. He cannot say that he will not apply his undertaking to leasehold property and at the same time say that if it comes to a fight in the courts over leasehold property he will plead Crown immunity. There is no need for the Secretary of State or for health authorities to have Crown immunity for nurses' residential homes or for residential property provided by hospitals or health authorities. The Rent Acts, feeble as they are in some ways, should apply to those properties, and that is why we have tabled new clause 2.

4.15 pm

There seems to be no one, other than the Secretary of State and a few of his hon. Friends and a few civil servants who are paid to agree with him, who is in favour of retaining Crown immunity. Trade unions and other staff bodies within the National Health Service have campaigned for years for Crown immunity to be lifted from National Health Service properties. Bodies and organisations representing patients also believe that it would be in the interests of patients for Crown immunity to be lifted. The National Association of Health Authorities in England and Wales, the representative of the authorities that would become liable to prosecution, thinks that Crown immunity should be lifted. Perhaps the case for lifting it is best summarised by the British Medical Association, which said:

"We believe the arguments for retaining Crown immunity are no longer tenable. The National Health Service is the largest employer in the country and as such it should not be outside the legislation. Moreover, the passage of time should have given experience of meeting legal requirements in health and safety. The recent introduction of the recommendations of the Griffith inquiry into the management of the National Health Service has clarified management responsibility."

No doubt the Minister will tell us wondrous things about the introduction of general managers. The BMA went on to say:

"A visit to almost any hospital would provide examples of the disregard for the Health and Safety at Work etc. Act 1974, laboratory conditions, storage of materials, collection and disposal of rubbish, fire hazard and ventilation. Whilst these breaches of the Act may be pointed out by the health and safety executive inspectors, there is no compulsion upon health authorities to rectify the conditions."

It is a bit disturbing to hear the BMA saying something like that.

The BMA compares that situation with the circumstances of general practitioners in the NHS who, if they employ more than five people, are not covered by Crown immunity and are subject to the Health and Safety at Work etc. Act. The bag of sharps or clinical waste in a GP's surgery—extremely unlikely to be as horrible as some of the clinical waste from a hospital—is covered by the Health and Safety at Work etc. Act. Hospitals in the private sector, which I should like to see disappear entirely, are covered. Local authorities are covered. The BMA and, as far as I know, all my hon. Friends believe that it would be right for the NHS to be covered.

Why will the Government not lift Crown immunity altogether? It is right that it should be lifted. The case for doing so is supported by everyone involved, and it has been conceded on food hygiene. There is clearly no principle involved. The question whether some premises, functions or organisations are or are not covered by Crown immunity is just a lottery. It could well be that Parliament decided when the NHS was set up that it did

not count as Crown property. It did not make a ha'porth of difference when the Post Office went out of the Crown area and became a nationalised industry.

Labour Members believe that Crown immunity is an idea whose time has passed. It serves no useful purpose. We are convinced that it is positively harmful to patients and staff and that it should go. What explanation Ministers can give for not getting rid of it, I cannot imagine. They will not be able to say that they do not care any more because, following the Tory party conference in Perth, we know that even the Prime Minister apparently cares about things such as the NHS and the patients in it. They may say that it will cost money, but I should not need to tell a Tory that most worthwhile things cost money.

If it is right to have clean hospitals and to spend money to make sure that the operating theatres of a hospital are spotlessly clean, not full of infection, and as a patient who has been in the operating theatre has to go on to a ward and be fed with food produced in a kitchen, to be wheeled about and have tests done on him in pathology laboratories, it follows, as night follows day, that anybody who is serious about cleanliness, standards of hygiene and the care of patients must support the abolition of Crown immunity altogether. That is what Labour Members believe and that is why we are putting forward the four new clauses. I commend them to the House and I defy the Minister to come up with any sensible reason for not accepting them.

Mr. Jack Ashley (Stoke-on-Trent, South): I want to begin by recommending support for new clause 1 and the associated new clauses and complimenting my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson). In Committee he has argued these basic points with the Minister and on any reading of those debates it is obvious, even to the most prejudiced reader on one side or the other, that my hon. Friend won the argument hands down. Moreover, I commend him on the speech that he has just made.

It is disgraceful that we need to put these new clauses forward at all. It is the Government's responsibility to ensure that hospitals are clean and safeguarded, but they are not doing so. All the evidence at our disposal shows clearly that patients and staff are suffering dangerous conditions. It beats me how the Minister can stand up in the House and say that there is a powerful case for abolishing Crown immunity in one part of a hospital—the kitchen—but not elsewhere.

By removing Crown immunity from the kitchens the Government have admitted that Crown immunity is protective of negligent health authorities, but those same health authorities can be just as negligent in other parts of a hospital. Having admitted the principle that Crown immunity is wrong because it prevents the prosecution of negligent health authorities, the Minister should go much further and ensure that health authorities are not protected in their work in other parts of hospitals, particularly with regard to health and safety, as is specified in the new clauses.

The Government are dodging and fudging on this vital issue. It is axiomatic that health and safety legislation is good and necessary. No one seriously disputes that. But the health and safety provisions should apply in the NHS as they apply outside. The Minister for Health is on record as saying that compliance, rather than punishment, should be the objective. Of course, we want compliance, but we shall not get compliance without the threat of punishment. All the evidence shows that the Crown notices, which are the alternative to the abolition of Crown immunity, simply do not work.

In 1984 there were only 32 Crown notices to health authorities, although there were 1,891 hospitals. In that same year there were 15,816 Crown notices in non-Crown premises. The difference is twentyfold. Crown notices in non-NHS premises were meaningful because the right to prosecution was there. The threat of prosecution could be made where there was negligence. Only one twentieth of Crown notices were issued in NHS hospitals simply because they could not be enforced.

The lack of power to prosecute can be seen in the views of environmental health officers, especially those mentioned by my hon. Friend in relation to the Stanley Royd hospital. They see themselves not as enforcement officers but as visitors and that is scandalous. Those people are specially selected, trained and appointed to enforce the law, yet they are unable to do so and they simply see themselves as visitors. Just fancy any policeman seeking to be invited in as a visitor with no right to take action. That is the position for environmental health officers in NHS hospitals. It really is ludicrous.

The consequences of the lack of enforcement should be known to the House of Commons, but nobody knows what the consequences are. I asked the Minister, in a series of parliamentary questions, for a comparison of the figures on industrial disease and accidents in NHS hospitals and those in non-Crown premises. The Minister's answer was that those figures were not available. He does not know what goes on in the hospitals for which he is responsible. He prefers a blindfold and a lack of knowledge. He prefers the House not to know the facts. If he wanted the House to know the facts he would find the figures, but he is simply telling me, and therefore the House, that the Government do not know that, and that is inexcusable. Ministers should acquaint themselves with the facts and not simply say that they do not know the answer.

4.30 pm

My hon. Friend the Member for Holborn and St. Pancras rightly paid tribute to various organisations. The General, Municipal, Boilermakers and Allied Trades Union started the campaign, along with the environmental health officers, and managed to get some action from the Minister. Now the British Medical Association has added its considerable weight. The BMA speaks authoritatively and tells the Minister that he must remove Crown immunity because of the dangers to patients and staff. The Minister should take those views very seriously.

Some hospitals are full of bacteria and viruses and daily pose a risk to the health of patients and staff. We need to ensure hygiene of the highest order and the safe disposal of rubbish and powerful drugs.

The 1981 survey by the pest control unit showed that 11·6 per cent. of English hospitals were infested with pharoah's ants, which carry disease and 20 organisms. The ants are tiny and move around our hospitals, from germ-infested sluices to wards, beds, operating theatres and even to sterile dressings and hypodermic needles.

What do the Government do about these dangerous conditions? They have a pest advisory service, which consists of two people working part-time on pest control. Pharoah's ants are crawling all over our hospitals and infesting sterile dressings, but the Government have only

[Mr. Jack Ashley]

two part-time workers dealing with pest infestation. It is the merest nod towards the control of disease caused by pests. It is simply not good enough, especially as only 73 of the 1,891 hospitals in England have been surveyed in the past 10 years.

Removing Crown immunity in this area and others would make health authorities far more vigilant and active, because of the fear of prosecution. That fear applies everywhere else and there is no reason why it should not operate in our NHS hospitals. I hope that the Minister will think again and will ensure that patients and staff in our hospitals have the same protection as everyone else.

Mr. Willie W. Hamilton (Fife, Central): My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) was right to emphasise how extremely dangerous hospitals can be. They are places to be avoided if possible, but, because entrance to them by patients, visitors and staff is unavoidable, it behoves hon. Members, health authorities and everyone else to make the premises as safe as possible.

The new clauses emphasise the fact that "premises" should include all premises and not just kitchens and the places where food is provided. The Bill is unacceptably narrow in the view of Labour Members and every interested body.

My hon. Friend the Member for Holborn and St. Pancras made perhaps the most significant point in the debate when he said that the Government go out of their way to say that the Bill will cost nothing. Not a single organisation or individual believes that for an instant. If we are to have safe kitchens, rid of the infestation that we have read about and seen on television, it will cost a lot of money.

If the Minister asks, "Where will the money come from?" I shall remind him, as I have reminded the House, that at the time of the Falklands expedition the Prime Minister said, "We shall see this through, no matter what the cost." She has maintained that view throughout and we have spent, and will continue to spend, thousands of millions of pounds of taxpayers' money on the Falkland islands. However, when we ask for some millions to be spent on hospital services to make hospitals safe for patients, visitors and staff, we are told that the Government cannot find the money or, if they can, that it must come out of another part of hospital authorities' budgets.

I tabled an amendment to extend the Bill to residential accommodation. It has been said many times in the House and outside that the Bill presumes that all the filth that we know about—all the rats, the mice, the cockroaches, the ants, the flies and the other infestations in NHS hospitals — are due to mismanagement. Indeed, the Minister made that point about the recent scandal involving food poisoning at Wakefield. It is suggested that all the problems can be eliminated within existing budgets.

My right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) has referred to some aspects of the matter and I did not realise how much disgusting filth and danger exist in our hospitals. The smaller the insect, the filthier it seems to be. I have a document from the British Pest Control Association entitled "Hospitals can damage your health". It says of the common house fly, which infests not only kitchens, but often wards and certain residential accommodation.

> "This is what happens when a fly lands on your food. Flies can't eat solid food, so to soften it up they vomit on it. Then they stamp the vomit in until it is a liquid, usually stamping in a few germs for good measure. Then when it's good and runny they suck it all back again, probably dropping some excrement at the same time. And then, when they've finished eating, it's your turn."

That is happening in our hospitals where people go to get their health improved. While these wretched flies are busy, the bugs, the cockroaches and the ants are all at it as well. The Government say that they will tackle them if these pests happen to be in the kitchen. But cockroaches and flies do not know the difference between kitchens, wards and residential accommodation.

It was said that the nuclear accident at Chernobyl knew no national boundaries, but flies, ants and cockroaches do not know national boundaries either. In that regard, the Bill is nonsense. It pretends that if only the problems in the kitchens were solved, everything would be all right. My hon. Friend the Member for Holborn and St. Pancras referred to the activities, over the years, of the trade unions. I am sponsored in the House by the Confederation of Health Service Employees, which has taken a long-standing interest in these matters. Moreover, the General, Municipal, Boilermakers and Allied Trades Union (GMBATU for short) has also taken a long-standing interest in them. The union's report, published in 1985, estimated that one in four of all hospital kitchens would be closed on grounds of hygiene if the NHS did not have immunity from prosecution. I suspect that the same applies to residential accommodation.

For years, hospital doctors and nurses have complained about the state of NHS residential accommodation. My sponsoring union, COHSE, has been in the forefront of that campaign for a long time. In 1985, at the TUC conference, Mr. Hector MacKenzie, the assistant general secretary of that union, said:

> "It is scandalous that hospital kitchens can become breeding grounds for infection and be equipped with dangerous machinery — and that Crown Immunity allows standards which would lead to the immediate closure of a fast food restaurant in Bloomsbury or Blackpool and the prosecution of its owner."

A report of that conference states:

> "COHSE's successful motion stressed that the 'Crown employee' status of one million NHS employees and many other public sector workers means that they are excluded from the laws designed to protect employees at work."

Indeed, my hon. Friend the Member for Holborn and St. Pancras referred to the fact that the health and safety legislation does not apply. The Parliamentary Under-Secretary of State for Scotland knows full well the great difficulties that followed the fire some years ago in the nurses' home at Kirkcaldy's Victoria hospital, partly as a consequence of Crown immunity. But, Mr. MacKenzie continued:

> "Hospital staff live in hospital accommodation which is falling into an incredibly disgraceful state of repair. Because of Crown Immunity the NHS can (and sometimes does) behave like the most unscrupulous of private landlords — and get away with it."

The report of the conference then adds:

> "Crown status deprived them of rights of security of tenure and repairs afforded to most private and council tenants."

That is the situation in an area to which everyone pays lip service. The Prime Minister says that she cares very much about it, but she does her best to destroy it, and not

least in this regard. In 1983, the *Nursing Mirror* launched a "Homes Fit for Nurses" campaign which excited great national interest and sympathy. Thousands of letters poured in from all over the United Kingdom, describing the disgusting and intolerable living conditions of thousands of the most dedicated workers in our NHS. A lot of the letters came from doctors and nurses, many of whom have no choice but to live in that accommodation which is protected by Crown immunity. After that campaign had reached its crescendo, the Government's response was to introduce this Bill. They did not introduce it immediately after the *Nursing Mirror's* campaign of 1983. Only now, after the scandal of Wakefield, have the Government decided on this miserable little Bill.

4.45 pm

The Government's response to the problem of accommodation was merely to get rid of it altogether and to sell it off. They decided to tell many of the nurses that they should seek their own accommodation in the private sector as best they could. Successive Ministers have argued in the House that not all of the accommodation is used. I think that the Government quote a figure of about 20 per cent. for the amount of accommodation that is not used, and they argue that it should be disposed of in the interest of value for money. But it is a Catch 22 situation. If the property is neglected and allowed to fall into decay so that nurses and doctors avoid it, it will become untenanted. The Government then use that as an excuse for getting rid of it altogether.

When my hon. Friend the Member for Battersea (Mr. Dubs) raised these issues a few weeks ago in an Adjournment debate on 23 May, he referred to the Rayner report of August 1984, which specifically dealt with the problem of NHS residential accommodation. In that report, Rayner recommended — and the Government accepted — that 73,000 units of accommodation, including houses, flats and bedsits, should be disposed of out of a total of about 112,000 units. I am not sure whether that includes the figures for Scotland, but perhaps the Under-Secretary of State can tell me. However, that would mean getting rid of 65 out of every 100 residential units occupied by NHS doctors and nurses, and the nurses certainly would have to seek accommodation where they could. The Government are now implementing those proposals, and are causing great anxiety and anger in the process.

In his reply to that debate, the Minister played down the issue and implied that my hon. Friend was scaremongering and inaccurate. But there can be no doubt that the Government have gone ahead with that policy without giving much thought to its consequences. In his reply to that debate, the Minister spoke in his bland and soporific way about the more efficient use of public money. Indeed, he is an expert at that sort of thing. He also spoke about the need to cut out waste. We all know the shibboleths that the Government bring out when they are slashing public expenditure on services that they do not much like. He spoke about saving public money, cutting out waste, and becoming more efficient in order to project the image of a caring Government and a tear-jerking Prime Minister. But we all know her, and what she has done to the Health Service, housing and so on.

In column 695 of *Hansard*, even the Minister had to concede that the health authorities would investigate how the policy would be implemented. I think that he said that a circular would be issued very shortly. Has that circular been published? He must be able to tell me by now whether it has been published and also whether it applies to residential accommodation in Scotland.

A number of questions remain unanswered and I hope that the Minister will reply to them today. A few of them have been asked by myself and my hon. Friends during recent exchanges in the House. On 23 May the Minister said:

> "Nobody will be required to move from his or her present accommodation without being offered a suitable alternative place to live." [*Official Report*, 23 May 1986, Vol. 98, c. 694.]

I say nothing about the grammar; I am simply reading *Hansard*.

I have asked the question — and we deserve an answer: who will seek out that accommodation? Will the onus be on the health authority or the nurse? Who will decide what is suitable accommodation — the NHS manager on a salary of £40,000 to £50,000 a year or the nurse on a salary of £5,000? Who will decide what is a reasonable rent? Who will decide whether accommodation is suitable in terms of its rent, its facilities or its proximity to the hospital? A hospital manager in a rural area might decide that accommodation is convenient even though it might be 10 miles away — but the poor nurse probably does not have a bike and certainly not a car, and the Government have destroyed the bus services. It is no use providing accommodation that is 10 miles away from the hospital in a rural area where there are no buses at weekends. There is a multiplicity of questions that the Government have not even attempted to answer.

This is a mean little Bill that is designed to deceive. It is designed not to solve the problems but to allay a little anxiety within a limited area of the NHS. It does not get to the root of the problem because the Government fear the enormous cost that might be involved in tackling the problems with the seriousness that they deserve.

The Labour party has tabled these amendments to reveal the shortcomings — indeed, the irresponsibility — of the Government in trying to deceive the people into believing that the Bill will solve anything. It will not solve very much because the Government will not spend the money to achieve that.

Mrs. Ann Clwyd (Cynon Valley): I can assume only that the Bill's proposals are so limited because Conservative Members know so little about kitchens. They obviously do not realise that kitchens are not surrounded by Berlin walls — they may prefer to think of them in that way, as they do not wish to venture inside them. Certainly, cockroaches know no bounds in kitchens or any other area of public buildings. They use the lifts, fire escapes, drainpipes and even escalators, as do many other nasty creatures that can be found in public buildings which are protected by Crown immunity. If Conservative Members think that the nasty vermin will somehow be contained within an area called a kitchen, they are in for a bit of a shock.

Perhaps Conservative Members have not had my experiences. For four years I served on the Welsh regional hospital board — a body that was abolished in 1974, much to the dismay of people in Wales where there is now a less democratic Health Service than obtains in other parts of Britain. Responsibility for the Health Service now lies with the Welsh Office, and I am sorry that no one from that Department is present for the debate.

[Mrs. Ann Clwyd]

I was a member of the catering committee of the Welsh regional hospital board, and one of its interesting tasks was to visit hospitals throughout Wales to inspect kitchens and menus. Some of the things that we saw would beat many of the horror stories that were spelt out in the reports referred to by my hon. Friends. The kitchens, especially those in long-stay hospitals, were dank, damp and dirty. Some of the items on the menus were not fit to feed to the cat. One hospital had coley fish on the menu — something that is rather more acceptable today than it was in the early 1970s. One of my colleagues pointed out that coley fish was food for cats, not for patients, and it disappeared from the menu.

Unfortunately, our visits to those hospitals were, of necessity, fleeting. We could not make the detailed inspections that many of those who prepared the reports were able to carry out. Had we been able to spend some time at the hospitals, I do not doubt that we, too, would have found the pests that were mentioned during the inquiry into the food poisoning outbreak at the Stanley Royd hospital.

The 1977 circular stressed the need to be constantly on the alert to the dangers of food poisoning. It laid down certain basic requirements with which hospitals should comply and it also dealt with inspection. It suggested that health authorities should invite inspection by environmental health authorities to report on all areas within their premises where food was stored, processed or consumed.

One section in the report deserves repeating because I am sure that it applies to many establishments. The report of the Charing Cross environmental health officer shows that bird droppings were found in the jelly, rice coated with bacteria, infestations of mice and cockroaches, sparrows flying around kitchens, dead cockroaches in a food store and slicing machines coated with thick grease. The newly appointed general manager was quoted as saying that conditions were absolutely disgraceful and indefensible.

Another example is the Royal Free hospital, which environmental health officers said would have been prosecuted had it not been for Crown immunity. Chicken and cockroach chasseur was reportedly served to two patients and a nurse. Other named hospitals that have beeen criticised included——

Mr. Dobson: Is my hon. Friend aware that no one was reassured by the reassurances given by an official of the Royal Free hospital that, provided the cockroach had dropped in the mixture at the beginning of the cooking process, it would have been all right?

5 pm

Mrs. Clwyd: I thank my hon. Friend for that information. If a cockroach is well cooked, that will not make it more palatable to patients nor to anyone else. The fact that cockroaches might be in our food without our knowledge would cause most of us great concern and considerable revulsion.

Three organisations have recently produced reports on this issue. The report of the British Pest Control Association, entitled "Hospitals Can Damage Your Health", contains details of the sort of pests which can cause problems and gives many specific examples of failings as well as making several good recommendations. The association recommends that Crown immunity should be lifted or abolished, which would ensure that hospitals are legally obliged to implement the requirements of environmental health officers. It makes many other recommendations.

The General, Municipal, Boilermakers and Allied Trades Union published the case against Crown immunity in April 1985. Much of that publication was concerned with hospital kitchens, and it contained many proposals for action. It suggested that Crown immunity should be removed from the premises covered by the Health and Safety at Work etc. Act 1974. I am sure that all hon. Members would like to see that happen here. The GMBATU paper said that Crown immunity should be removed from the food hygiene regulations and that food hygiene laws should be amended to include the recommendations presented by the Institution of Environmental Officers in a review of food legislation. It said that EHOs should be given the power to issue enforcement notices under food hygiene legislation — a power which they already have under the Health and Safety at Work etc. Act. It recommends that food hygiene laws should be amended so that employees' representatives receive the same information from enforcement officers as they do under section 28 of the Health and Safety at Work etc. Act.

The Government have always expected health authorities to provide resources for health and safety and hygiene improvements from their existing budgets for patient care. When there are such great demands upon their budgets it is not surprising that they have difficulty in finding the necessary resources. No extra resources have been provided by the Government to help the NHS to meet its new obligations under the Health and Safety at Work etc. Act. The Government must make sufficient resources available to enable the NHS to meet the new burdens imposed upon it by that Act and the food hygiene laws.

I ask the Minister to bear in mind that in 1978 the Health and Safety Commission gave inspectors the power to issue a new form of notice against Crown immunity. Those Crown notices, as they are called, are much the same as the improved prohibition notices, except that they have no force in law. In practice, health authorities ignore the notices because they have no force in law. Their stock answer, when they have failed to comply with the law, is lack of funds. The Health and Safety Executive, and its inspectorate, cannot possibly meet burdens placed upon it without an increase in staff.

We rehearsed this argument during the debate on the privatisation of British Gas when we discussed the burdens that were to be put on the inspectorate. The number of health and safety inspectors has diminished every year since the Government came to office, at both head office executive level and field work level. Does the Minister consider it feasible for the present number of inspectors to carry out the duties that he expects them to undertake? I shall be interested to hear his answer.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): The hon. Lady is condemning hospitals universally, but the majority of hospitals have been responsible. They have employed proper pest control associations, and their standard of cleanliness has been acceptable. Does she

accept that additional resources are not necessarily required, given the infernal sloppiness of some hospital staff?

Mrs. Clwyd: If the hon. Lady is addressing that remark to some of the privatised services working within our hospitals, I am sure that she and I would not disagree. I would not say that her comment applies to NHS staff, who, with few resources, have been able to carry out a proper programme of hygiene within hospitals over the years. I think that the hon. Lady is condemning privatisation within the Health Service. A number of contractors have been dismissed because of their failure to observe proper hygiene standards and to carry out the high standard of work that the Health Service has normally been able to perform.

Mr. Dobson: Does my hon. Friend agree that rather more private contractors would have been dismissed had not the Government intervened to say that, even where the health authority was entirely dissatisfied with the standard of service, the contract could not be terminated without prior discussion and the consent of Ministers, partly as result of representations made by Tory Members who had a financial interest in the companies under threat?

Mrs. Clwyd: That is an extremely relevant intervention. Where private interests are concerned, it seems that the same standards do not apply.

Mrs. McCurley: That is pathetic.

Mrs. Clwyd: The British Pest Control Association, which has called for the abolition of Crown immunity, which prevents hospitals and other public buildings from being prosecuted, is not exaggerating when it talks about cockroaches, rats, mice and other disease-carrying pests taking over hospitals and putting patients' health and lives at risk.

Dr. John Marek (Wrexham): The hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley) described some of the arguments of my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) as pathetic. Does my hon. Friend agree that the primary duty of private contractors, as they see it, is to make profits for their shareholders and not to uphold standards of care or cleanliness within the Health Service?

Mrs. McCurley: They will not make profits if they do not do their job properly.

Dr. Marek: I am grateful for the interjection. There is enormous discontent with private contractors in the Health Service. Does my hon. Friend agree that profits is one of the important differences between the attitudes of private contractors in the Health Service and those of NHS staff who look after the health and welfare of patients?

Mrs. Clwyd: That point is well made by my hon. Friend. If we are being entirely objective, which the Opposition are seeking to be, it is clear that standards of hygiene and patient care have been severely diminished since 1979.

The British Pest Control Association believes that part of the problem lies with priorities. Only one fifth of 1 per cent. of funds, or about £800,000, is spent on pest control. If the Government are serious about wanting to get rid of pests, they must give additional resources to the NHS to enable it to do the job properly.

The British Pest Control Association, in its report, asks:

"Would anyone with any sense serve a sick patient food that has already been contammated with organisms that cause food poisoning, boils, abscesses, typhoid, pneumonia, dysentery, worms or jaundice?

Would that sensible person bandage a wound with material exposed to contamination from the contents of drains, sinks and sewers? Sensible or not, this is what is happening in hospitals up and down the country."

The association also drew attention to a survey of 360 nurses conducted by *Nursing Mirror* last year,

"which showed that 88 per cent. had seen cockroaches in their hospitals, 53 per cent. had seen rats or dead mice, and 51 per cent. considered their hospital unclean."

That is the evidence of people working in those hospitals. It is clear that hundreds of NHS hospitals fail to meet accepted hygiene standards, and pose serious hazards to patients and staff.

The Institution of Environmental Health Officers, in a recent report, found 97 hospitals with hygiene standards "sufficiently serious to warrant prosecution"
and 159 hospitals with "significant pest infestations."

The Minister thinks that the pests are confined to the kitchens. I should be interested to know about his own experience of kitchens, particularly hospital kitchens. Pictures of a hospital for the mentally ill, where cockroaches scuttle around the kitchen, shocked a conference of English and Welsh health authorities in Cardiff last year. Mr. John Yates, a senior research associate at the university of Birmingham, told the health officials about a hospital, the identity of which he refused to disclose, but which he described as having dripping, dirty and dark corridors

"because the authority prefers to save money to spend on patient care".

That reinforces the point that I and my hon. Friends have been making, that, if hospitals have to decide on priorities, obviously patient care must come first. Mr. Yates said that the rooms in the hospital

"were empty of moveable objects, and the lavatories had no paper . . . the rooms were unnecessarily depressing and dark and the lavatories were damp.

Beds in the wards were only inches apart. A long crack over a window in a day room was stuffed with lavatory paper to keep out water.

Worst of all were the cockroaches, a dozen of which had been photographed swarming on tables, around the sink and on the floor".

Mr. Yates said:

"These pictures were taken not 20 years ago but just this month."

He argued that the

"'horror stories' about mental hospitals . . . were not isolated instances but signs of a system of management and monitoring that did not work."

Again, that is evidence that pests are not confined to the kitchens, and that the danger to patients cannot be kept within the kitchens. Lifting Crown immunity there will not be sufficient to protect the patients.

The other day I made a point about air conditioning systems, which the Minister missed. Many diseases can be caught from those systems — not just legionnaire's disease, but humidifier fever. Many doctors now recognise that it has a considerable effect on people's health. Other diseases are also caused by air conditioning systems. I asked the Minister to widen the scope of any inquiry to the operation of air conditioning systems in hospitals and other public buildings. In buildings where there is Crown immunity, it is particularly important that proper inspection of those systems is carried out.

[Mrs. Clwyd]

I shall mention an experience that I had in the European Parliament. One in three people were sick during the week when we met in Strasbourg. A team of doctors had come over from Britain to look at the air conditioning systems. Unfortunately, the authorities in Strasbourg thought that it was a plot to get the Parliament moved from France to Belgium, and refused to allow the doctors through the front door. It was only when I got them in through the back door that they were allowed to look at the systems.

The doctors found that there were seven different air conditioning and cooling systems within that one building, and bacteria were contaminating many of the tanks that were pumping water into the air conditioning system. Rat poison pellets were found in ducts all round the building, and those ducts were pumping the air conditioning through the building. It is not surprising that one in three people were sick during our visit to Strasbourg.

5.15 pm

The point that I am trying to underline is the necessity for proper investigation of air conditioning equipment used in hospitals and other buildings, which are now protected by Crown immunity. Such equipment can also cause ill health. For that and many other reasons, Crown immunity should be lifted so that the Health and Safety Executive can do its work properly and so that control is applied in areas that were previously protected by Crown immunity. It is not only in the catering areas of hospitals that accidents can occur or where epidemics start.

Anyone who has done the rounds of hospitals, as I have over the years, could provide many examples of disregard for the Health and Safety at Work etc. Act 1974. That is seen in laboratory conditions, the storage of materials, the collection and disposal of rubbish, fire hazards and ventilation. While those breaches can be pointed out to Health and Safety Executive inspectors, there is still no compulsion upon health authorities to rectify the conditions. The best compulsion of all would be for Crown immunity to be completely lifted. I am sure that is what all Opposition Members will be arguing for today.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Time is getting on, and, if I may say so in the context of this debate, most of the arguments have been made ad nauseam. *[Laughter.]* I am glad that the hon. Member for Holborn and St. Pancras (Mr. Dobson), who is almost my hon. Friend, has got the joke.

I repeat the support that I gave on Second Reading and in Committee for the extension of the abolition of Crown immunity beyond what is proposed in the Bill. I pick up the point argued by the hon. Member for Fife, Central (Mr. Hamilton), that one of the reasons why the Government have gone for a Bill of more limited application, and therefore, by implication, more limited objectives, is financial. It goes back to many of the debates that we had on the matter in Committee. In the explanatory and financial memorandum to the Bill the Government stress that it does not have financial implications. Many Opposition Members have said that that strikes us as nonsense. I suspect that, although they have not said so, many Conservative Members would agree with that.

It stands to reason that if there are substandard kitchen premises in hospitals, and if health authorities have to commit expenditure to bring them up to standard, that will have revenue implications. Given the extent of the problem nationally it must exist to a considerable extent or we would not have the legislation one can only assume, logically, that the Government realise that, on a national basis, there will be significant financial implications for health authorities from the measure. Despite the fact that the Government argue in the explanatory and financial memorandum to the Bill and in their speeches in support of the Bill that there are no financial implications, the appreciation of the likely financial implications although the Government do not publicly admit to them is one reason why they have confined the impact of the legislation to hospital kitchens.

When one considers the background to the Bill, especially the report on the food poisoning outbreak at Stanley Royd hospital, it is fair to say, as the report did, that the absence of Crown immunity would not have prevented the disaster. That is sensible and self-evident. Paragraph 230 of the report states:

"Basing our view on the facts proved before our Inquiry, and on these alone, the abolition of Crown immunity would appear unnecessary."

The implication is clear: the general application the report was talking about wider abolition than that which the Government propose of such legislation would not have prevented what happened at the Stanley Royd hospital. However, the incident was the straw that broke the camel's back and moved the Government to introduce the legislation.

After considering that specific case, and the undoubtedly important report, Health Ministers concluded that it would be enough to abolish immunity for hospital kitchens. They are mistaken in that. I cannot understand, for the host of reasons that we have heard during the debate, how the arguments that are advanced in favour of the limited abolition do not logically and forcefully apply equally to NHS premises in general. Neither on Second Reading nor in Committee did the Government give an adequate response to that basic contention.

In reply to the Second Reading debate the Parliamentary Under-Secretary of State for Health and Social Security said that the general repeal of Crown immunity was not necessary because the Crown notice system already works well enough. He conceded that,

"although 300 notices have been issued since 1980, in no case was it found necessary to take action." —[*Official Report*, 15 April 1986; Vol. 95, c. 826.]

I do not doubt the veracity of the Minister's statement, but if the Government were sufficiently persuaded to introduce this albeit limited measure, which must be an expression of their anxiety on the nationwide problem, how can they set that judgment alongside the arguments deployed by the Under-Secretary of State, who was saying essentially, "There is no problem whatsoever"? That is an argument based on internal asburdity——

Mr. Ashley: It is a contradiction.

Mr. Kennedy: I agree with the right hon. Gentleman. It is a fundamental contradiction in terms. The Government have not adequately defended or persuaded the House of their argument.

Even allowing for that, there are difficulties with the Crown notice system in which the Under-Secretary of State placed so much faith. There are delays in implementing some Crown notices because there is no

automatic offence for failing to meet the deadline set. Under the Government, the number of Health and Safety Executive inspectors has been cut by 20 per cent. Much of their time is taken up by return visits to Crown premises to persuade employees to comply with their notices. Deadlines are sometimes renegotiated on non-Crown premises, but that is comparatively rare.

The inspectors have less incentive to use Crown notices when there is no prosecution. In 1983, about 13 per cent as many notices were served per 100,000 people at risk in the manufacturing and service industries as were served in NHS premises. Yet, as was fully and fairly stated by the hon. Member for Holborn and St. Pancras, one cannot say that the risk element or dangers in hospital premises can be reduced or overlooked to the same extent as they could be in some service industries. Hospitals are inherently dangerous places, for the many reasons given by the hon. Gentleman.

Mr. Ken Weetch (Ipswich): The hon. Gentleman mentioned the word "prosecution". Does he realise that, although a considerable number of appalling facts were discovered during the inquiry at Stanley Royd hospital, it was subsequently revealed that there was not enough evidence to mount a legal prosecution? Has the hon. Gentleman considered what burden of proof might be necessary to find a way through this?

Mr. Kennedy: If an incident involving so many tragic deaths does not constitute a sufficient basis for a successful prosecution, something is wrong. I am glad to welcome the hon. Gentleman's intervention, which hit the nail on the head.

The Government argue that the Bill will have no financial implications, whereas we argue that even on this limited basis it will. Time will soon tell whose assessment is correct. Having argued that it will have no financial implications, the Government none the less stop short — I suspect largely for financial reasons — of extending the logic of their case beyond the hospital kitchen door to NHS premises generally. That suggests an acceptance, albeit privately, by Ministers and civil servants that the rhetoric on the Bill is not a fair reflection of the reality with which the Bill deals.

Ministers have argued that the Crown notice system is satisfactory. The Under-Secretary of State laid special emphasis on that, yet there is a fundamental internal inconsistency in presenting that argument at the same time as the Government present the Bill. If they believe that the system is so good, why do they not stand by it? Why is it necessary to legislate?

The hon. Member for Ipswich (Mr. Weetch) mentioned the appalling state of affairs highlighted by the report on the tragedy at Stanley Royd hospital. In part, the report mitigates in favour of the Government's argument, which is that legislation does not attack the root of the problem but rather allows some form of redress if the problem proves tragic. The central weakness of the Government's case is that they deny the existence of financial implications, although the Bill must have some. The Bill is also weaker because it stops short of more general application.

We have welcomed the Government's fairly timid steps, but they do not go far enough. I hope that it is not too late for the Minister to see sense, to be slightly more candid and to accept that the principle of clause 1 should extend beyond NHS kitchens.

5.30 pm

Mr. Frank Haynes (Ashfield): First, I declare my interest as a vice-president of the Institution of Environmental Health Officers. It is proper to declare that interest because of my interest in their work. I was involved in local government for many years before coming here and it is clear to me that environmental health officers in all local authority areas have done a first-class job on behalf of the community.

My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) made a first-class speech and mentioned slack control in the NHS. The service seems to have a protective shell. Through our proposed new clauses, we are trying to crack that shell so that the community can find out what is going on inside. I have heard Ministers defend the NHS and Crown immunity, saying that there is no need for its abolition, for long enough. There is great public feeling about the problems with hospital kitchens. I pay tribute to my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) who has done a marvellous job for many years. He is one of those who have finally got the Government to cave in and abolish Crown immunity for NHS kitchens. There is no doubt that that is a step in the right direction.

I have listened carefully to the debate, especially to what my hon. Friend for Holborn and St. Pancras said. He mentioned cleaning services. I also listened carefully to the intervention made by the hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley). She should not have said what she did. She should have stayed in her seat. She boobed. There is no doubt about it. She talked of private organisations doing certain jobs in the NHS. Private firms are falling down on the job. It is all very well to say that they will not get paid if they do not do the job, but they are not doing the job properly in many respects, yet they are still being paid for what they were supposed to do and paying their workers little. One of the most annoying things about such private organisations, especially those involved in hospital cleaning, is that many Conservative Members are their directors or are associated with them. They should declare their interest.

Mrs. McCurley: The hon. Gentleman is suggesting that all private enterprise is in some way malevolent and inefficient. The majority of health boards employ responsible and effective companies. If I failed to clean my kitchen properly for several weeks, would I expect it to remain hygienic for my family or would I expect mice to start coming in? May I suggest that the matter is not confined to cleaning services and that it matters very much how hospital staff conduct their daily business. Filth occurs when people do not do their work efficiently and properly.

Mr. Haynes: That was a fairly long intervention. The understanding in this place is that interventions are short. I must repeat that my experience is that many private organisations in the NHS have not lived up to their responsibilities but have, nevertheless, been paid for the job.

The hon. Lady mentioned her kitchen. We have a kitchen in our bungalow. It is spotlessly clean. I do not pay my wife for doing it. We share what we have. She does a first-class job on my behalf and that of the family. In many hospitals, however, the kitchens are filthy. It is high time that there was some action. The Minister can sit and nod

[Mr. Haynes]

his head and grin every now and again, but he is still not listening. He is supposed to be replying to the debate, but if he does not listen how can he?

I should like to pick up something that my hon. Friend the Member for Holborn and St. Pancras said about the Minister. I should like to know what he knows about the NHS. I have a reason for asking. He is a financial wizard.

Mr. Weetch: Oh? That is news to me.

Mr. Haynes: Oh, yes. He is a financial wizard. He was with the Treasury long enough. I tabled a question to the Minister because I wanted to know how many chairmen of district health authorities had no connection with the Health Service. It emerged that, out of 195 chairmen, 41 had no connection with the NHS. That is how the service is being run—on a financial basis. The Government are not running a service for the people who need what my hon. Friend the Member for Holborn and St. Pancras described.

Mr. Allan Rogers (Rhondda): When my hon. Friend next tables that question, will he consider asking the Minister how many friends of Tory Ministers, how many solicitors and professional people employed by Tory Ministers and how many people connected with the Conservative party have been appointed as chairmen of health authorities? [HON. MEMBERS: "How many ex-Labour Members?"]

Mr. Haynes: Can you hear them, Mr. Deputy Speaker? My hon. Friend has hit on a raw spot and Tory Members are reacting. Most of them are financial wizards from the finance houses and institutions of this land. They can be counted when the House is full. During these debates I have often looked at the Treasury Bench and seen as many as five millionaires on it. All they are bothered about is money. We in the Labour party are concerned with the service of the NHS to our people.

Dame Jill Knight (Birmingham, Edgbaston): Will the hon. Gentleman give way?

Mr. Haynes: No, the hon. Lady has only just walked into the Chamber. The hon. Lady can make a speech if she wants to, Mr. Deputy Speaker, providing you let her. That is how this place works. I am trying to make an important point about the way in which the Government run the NHS: their motive is profit.

Dame Jill Knight *rose*

Mr. Haynes: Because they run it on the profit motive, they want to protect Crown immunity. That is why we have tabled these new clauses.

Dame Jill Knight: Will the hon. Gentleman give way?

Mr. Deputy Speaker (Mr. Harold Walker): Order. I remind the hon. Lady that if the hon. Gentleman is not prepared to give way she should not persist.

Mr. Haynes: I am obliged to you, Mr. Deputy Speaker. I always knew that the Chair would protect an hon. Member, and this is genuine protection. As I said earlier, the hon. Lady has only just walked into the Chamber and she does not know what has been said. I suggest that she hangs on a while and listens to some real debate. Only the Opposition are providing that. I wonder what is going on on the Tory Benches. Are they interested in the NHS? [HON. MEMBERS: "No."] Will they listen to the Minister's reply to the debate without hearing it? When it comes to the vote Tory Members will troop through the Tory Lobby without having heard a word.

Dame Jill Knight *rose*

Mr. Haynes: To give the Minister and the Whip their due, at least they are present and have heard the debate.

Dame Jill Knight *rose*

Mr. Deputy Speaker: Order. If the hon. Lady wishes to participate she should seek to catch my eye. If the hon. Gentleman will not give way to her, she must not persist.

Mr. Haynes: It is a bit off. The hon. Lady has been a Member of Parliament for many years and she knows the rules of the House as I do, although I have not been an hon. Member for so long as she has. I respect the Chair and live up to the rules and regulations of the House.

In my visits to different hospitals throughout the country I have found that mentally handicapped people are treated differently from everybody else, and I wonder why. I have seen wards where the beds have been so close together that there is no room for a locker between them, and wards with beds placed before fire doors, so that in an emergency people cannot get out. If anything happens involving a serious loss of life the NHS and Ministers are within the protective shell to which I was referring. That is not good enough. In such an event they should be prosecuted. They should be taken to court and dealt with. Mentally handicapped individuals cannot possibly look after themselves.

5.45 pm

What power does a district fire officer have? In my area he must refer to one of the 41 recently appointed district health authority chairmen, who has a financial interest. The fire officer is reponsible to the chairman or the board, and they take no notice of him, so nothing is done. The shouting and bawling of local people making representations has persuaded health authorities to make alterations, and, indeed, they have. Nothing will be done with this profit motive business and the Government trying to save money here and there. We need much more money in the NHS. People are living longer nowadays and we must provide proper facilities for them. It is shocking that my local authority has not been allowed to build proper housing for elderly people.

There are chiropodists in the NHS, but not enough of them because the Government have cut the funds for them. That means that, because elderly people cannot get the service of a chiropodist, they cannot be discharged and must lie in a hospital bed. I have seen many such cases, and before long the old person dies. The Government should be prosecuted for what they are doing. We have tabled these new clauses to get some sense into the NHS and into the heads of the Secretary of State and his cronies who sit with him. I am talking about not civil servants, but Ministers.

Dame Jill Knight: On a point of order, Mr. Deputy Speaker. I have been listening most carefully to the hon. Gentleman and I wonder whether chiropody has anything to do with the new clause before the House.

Mr. Deputy Speaker: I too have been listening carefully, and so far I have not heard anything that is out of order.

Mr. Haynes: I am obliged to you, Mr. Deputy Speaker. Here we go again, with the hon. Lady abusing the Chair. I would never do that. I have had nothing to do with chiropody, and I declared my interest at the beginning of my speech. My connection is with the Institution of Environmental Health Officers which, together with my experience as an ex-chairman of a community health council, is why I have so much experience of the NHS. I know the hon. Lady's connections with the NHS, but I shall not say anything about them. I shall leave that to her.

My hon. Friend the Member for Fife, Central (Mr. Hamilton) made an important point about the appointment of the new chairmen, and my chairman in central Nottinghamshire has no experience of the NHS. I understand my hon. Friend's interest in this area, and in the question of the rent that nurses must pay for their accommodation. We are on a winner with these new clauses. The Government are bumping up nurses' rents because their tiny financial minds tell them that this is another area where they can pull in a bob or two. That is how they think. They do not realise that those nurses are providing a service to the ill. People are in hospital because they are ill and hope to get better, so that they can leave and live healthy lives. The Government are clobbering the people who do a first-class job in the hospital service on behalf of the community, but they continue to make statements on the radio and television as though they were doing a marvellous job. Some of the Ministers should look behind the scenes.

Mrs. McCurley: On a point of order, Mr. Deputy Speaker. Would you try to encourage the hon. Member to refer to new clause 1, because what he is talking about is totally off beam?

Mr. Deputy Speaker: Order. With new clause 1 we are debating new clauses 2, 3 and 5 and amendment No. 62. The hon. Gentleman's latter remarks were addressed to new clause 5 and so seem to me to be in order.

Mr. Haynes: I am obliged to you, Mr. Deputy Speaker. The hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley) came in late and did not hear the speeches from the Front Bench. My hon. Friend the Member for Holborn and St. Pancras made all the necessary references to the clauses. It seems that one or two hon. Members are bidding for your Chair, Mr. Deputy Speaker. I am having nothing to do with that. They are trying to do your job for you and I object. That is what you are there for, Mr. Deputy Speaker. As I said before——

Mr. Deputy Speaker: Order. I can get by very well without the protection and help of the hon. Gentleman.

Mr. Haynes: I realise that only too well because I remember the wonderful, exhilarating experience that I had sitting on the Back Benches when you were at the Dispatch Box. I thought it was wonderful, but we lost you because you were appointed to that Chair, when you should have stayed on the Front Bench. I have got that off my chest. No matter where you are, whether at the Dispatch Box or in the Chair, you do a first-class job. There is no doubt that I have been within the rules of order because otherwise you would have pulled me up pretty smartly, because you are pretty keen in your job.

I have said enough. I do not know how long I have been speaking, but I know that there will be other opportunities to speak during the debate. We hope that the Minister is taking in all that we have said. We want the abolition of Crown immunity for the NHS. We want nurses to be looked after properly. We do not want them penalised, because they do a wonderful job on behalf of the community. If the Minister and the Government would accept many of the things that we have said this afternoon, the NHS would run a lot better.

Mr. Rogers: I am pleased to follow my hon. Friend the Member for Ashfield (Mr. Haynes) in his exposition, and to join in his tributes to you, Mr. Deputy Speaker. I hope that during the course of my speech we shall not get interruptions telling you how to do your job.

The new clause is of great importance to those Labour Members who have a special interest in the NHS. I agree with my hon. Friend the Member for Ashfield that it is only Labour Members who take a particular interest in the NHS. It seems that Conservative Members are interested in the NHS only when they want to borrow its equipment for use in private practice. The Labour party has a strong vested interest in the NHS because not only do we have a political and social commitment to it, but we participate in it. These are the only hospitals that our children will use. *[Interruption.]* Does the hon. Member for Aberdeen, South (Mr. Malone) wish to intervene? It is sad that he could but dare not. I realise that the Conservative party is effectively gagged.

Dame Jill Knight: I am grateful to the hon. Gentleman for giving way. He has always been courteous. Perhaps it is rather a good idea that the private sector occasionally deals with the Health Service in order to provide equipment such as the lithotriptor, which helps to get rid of kidney stone conditions, at St. Thomas's. About 75 per cent. of its use will be for NHS patients. Can this not sometimes be a useful partnership and so help the NHS?

Mr. Rogers: Yes, but——

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman is not persuaded to go down that road, because that will take us away from the new clauses.

Mr. Rogers: I agree with you, Mr. Deputy Speaker. If the hon. Lady wishes to lead us down that road, I shall resist the temptation, except to say one thing. I understand that, under the arrangement to which she referred, private medicine makes a profit out of the lending of the machines. I do not blame it for doing this, because that is what it is in action for. The private sector is not hypocritical about it. It is like the Government, who are taking the country for a ride. However, that is what they are there for. They are there to serve their friends the City of London, for the quick buck, to make a couple of bob and shove everything into their back pockets. That is what the Tory party is about. It is not about serving the interests of the people and those who might need this precious institution, the National Health Service. This is why they have such a cynical attitude to the NHS. They will borrow from the NHS when they need to, but when they need to cheat and to jump to the front of the queue, and when they have special treatment——

Mr. Deputy Speaker: Order. The hon. Gentleman is falling into the fault against which I warned him. I hope that we can return to the subject of the new clauses.

Mr. Rogers: I shall do so, Mr. Deputy Speaker. I am sure that the hon. Member for Birmingham, Edgbaston

[Mr. Rogers]

(Dame J. Knight) will want to intervene again, and if she does I hope that she will not lead me down these side alleys because if I follow her I shall be admonished by you again, Mr. Deputy Speaker.

We are concerned about Crown immunity for hospitals and health authorities because of the appalling conditions that exist in some of our hospitals as a result of cuts in the service, which means that there is not enough money for proper cleaning and maintenance.

I have come to the Chamber from the Public Accounts Committee where we were hearing evidence from the permanent secretary at the Department of the Environment on capital expenditure of local authorities. One fact struck me strongly and is pertinent to the debate. It is that it has been estimated by reliable authorities, and acknowledged as a correct figure by the Department of the Environment, that to enable local authorities to catch up with maintenance and refurbishing, on which they have fallen behind with schools, housing and roads, they would need capital expenditure of £40 billion to £50 billion.

Mr. James Couchman (Gillingham): Rubbish.

Mr. Rogers: The hon. Gentleman says, "Rubbish." If he wants to dispute my figures, perhaps he will correct me. He does not wish to. My figures are correct and will be written into the evidence of the Public Accounts Committee, and they have been published in the Comptroller and Auditor General's report. If the hon. Gentleman is saying that the Comptroller and Auditor General is an idiot and does not know what he is doing, perhaps he will be proved badly wrong. What he has said shows his ignorance of what goes on in local authorities. I am glad that we have been able to put his ignorance on the record.

This problem affects the NHS as well because of the tremendous cuts in spending in this sector. Health authorities, even when run by Tory friends of Ministers, are suffering badly because they do not have enough money to refurbish hospitals to bring them up to standard. That is why the British Pest Control Association said on 11 September last year that cockroaches, rats, mice and other disease-carrying pests were "taking over" hospitals and putting patients' health and lives at risk.

6 pm

Mrs. McCurley: Is there anything in that report that criticises the Government? If the hon. Gentleman looks at the report more closely he will find no condemnation of the Government, but some condemnation of health authorities which spend more on window cleaning than on hospital kitchen cleaning.

Mr. Rogers: The hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley) probably has more knowledge of window-dressing authorities than I have. They probably exist in the Conservative areas, one of which she represents.

The British Pest Control Association, in its book "Hospitals Can Damage Your Health", also calls for the abolition of

"the anomaly of Crown Immunity"

which prevents hospitals and other Government-owned buildings from being prosecuted. The report has already been sent to the Secretary of State for Social Services.

Dr. Marek: This is an important matter in relation to the new clauses. I do not agree that we are talking about only a few authorities here and there. The problem is serious throughout the country and it is caused by lack of funds. Health authorities are so pressed and so much under pressure that pests and cockroaches exist in hospitals. There are countless examples throughout the country.

Mr. Rogers: I thank my hon. Friend. The British Pest Control Association can hardly be called a raving Left-wing group. It has fairly strong connections with the Conservative party. The association says in its damning document:

"It is a story of indifference and of apathy bordering on incompetence in the NHS."

As the hon. Member for Renfrew, West and Inverclyde said, the problem is not only one of money, but of priorities. Often the problem is created because of the need to choose between refurbishing and providing front-line services for patients. The choice is often between life and death and refurbishing the kitchen.

Because of the scandalous way in which the Government have handled the nurses' pay award, money has been taken away from the front-line services to fund that award. The Government have handled the problem shabbily in the last two years. The way in which Ministers have obfuscated and misled the House on the issue is a public scandal. The pay award might amount to £150 million or £300 million

Mr. Deputy Speaker: Order. The hon. Gentleman is straying again. Will he please get back to the new clauses?

Mr. Rogers: I accept your admonition, Mr. Deputy Speaker, but the real problems in the National Health Service are concerned with priorities and lack of money. We talk about the appalling conditions which lead to our plea for a lifting of Crown immunity from hospitals and health authorities because conditions are such that health authorities have to choose between operating on acutely ill people and refurbishing a kitchen.

Mr. Albert McQuarrie (Banff and Buchan): One of the biggest problems is that health authorities have built huge administration towers. If we cut those and put more money into patient care there might be fewer problems in the hospitals.

Mr. Rogers: That might be right. I am not here to defend bureaucracy. The bureaucrats are the Conservatives' friends. What amazes me about the Government and Conservative Members is that they have been in government for seven years. Any blame for problems in the National Health Service must lie in their laps. Why have they not done something about them?

Mr. John Maxton (Glasgow, Cathcart): Does my hon. Friend agree that the Government are responsible for the grossly overpaid general managers——

Mr. Deputy Speaker: Order. We cannot have a general debate about the National Health Service. I hope that we can now return to the new clauses.

Mr. Rogers: You are right, Mr. Deputy Speaker. I am being constantly led astray from the general thrust of my argument.

I have already mentioned the British Pest Control Association and its remarks about the standard of hygiene in hospitals. I said that it could not be regarded as a raving

Left-wing organisation. Another organisation which cannot be said to be hand-in-glove with the Labour party is the Institution of Environmental Health Officers, which states that hundreds of National Health Service hospitals fail to meet accepted hygiene standards and pose serious hazards to patients and staff. It says that almost 100 hospitals would face prosecution or be closed if they were not protected by Crown immunity. That institution has a statutory function to safeguard standards in all aspects of life except in connection with institutions controlled by the Government. The Government hide behind Crown immunity in the face of such damning indictments.

The National Association of Health Authorities and the Royal College of Nursing, which is not what I would call a raving Left-wing, loony organisation, criticise declining standards of hygiene in the National Health Service. The campaign gathered a great deal of support as a result of the outbreak of food poisoning that led to the death of 19 patients at the Stanley Royd hospital in Wakefield during the summer of 1984.

I must tell the hon. Member for Banff and Buchan (Mr. McQuarrie) that that was five years into this Government's administration. In those five long years they could have done something, but instead they spent millions of pounds on a foolish escapade in the south Atlantic and refused to spend money on giving our hospitals decent standards. I sometimes think it is a pity that General Galtieri did not raid the south Wales valleys, because had he done so we might have received some money. However, for that we would have to get him out of the nick first. It would perhaps not be such a bad idea if he were resurrected, because we desperately need the money.

In my area, not only are hospital standards declining, but the number of hospitals is being reduced. Therefore, my area is doubly penalised. Reports that had been published showed that the standards were exceptionally high in hospitals in my area, but now those hospitals are being closed, which is a great tragedy for the people they serve and for those who work in those marvellous facilities that serve the community at large.

The Institution of Environmental Health Officers said recently that 97 hospitals had hygiene standards that were sufficiently serious to warrant prosecution. Reinforcing the report of the British Pest Control Association, it said that 159 hospitals had significant pest infestations.

Mrs. McCurley: Does the hon. Gentleman condemn those examples that we saw on television recently — I believe on "World in Action" — where staff at a hospital in Glasgow put together cooked meats and raw, dripping meat, uncovered, in the same refrigerator? That has nothing to do with the private sector and pest control associations. It has an awful lot to do with environmental health and the day-to-day standards of activity and work in hospitals.

Mr. Rogers: The hon. Lady is right. I am glad that she supports my argument. If there is no money available for staff training, one cannot expect high standards of hygiene in the kitchen.

Mrs. McCurley: It is basic common sense.

Mr. Rogers: It is not a matter of basic common sense. Very often, no other facilities are available. I do not condone the rather silly happening to which the hon. Lady referred.

Mr. Dobson: While on the subject of common sense, does my hon. Friend agree that the average spent on a long stay hospital is £40 per patient per day and that as only £25 per patient per day was being spent at Stanley Royd there might be some connection between the figures?

Mr. Deputy Speaker: Order. The House is debating whether the Health Service should continue to enjoy immunity from legal proceedings stemming from various enactments. I hope that the House will stick to that.

Mr. Rogers: I am trying desperately to do so.

Mr. Deputy Speaker: Order. The hon. Member might try a little harder.

Mr. Rogers: I shall indeed. If Crown immunity were abolished, probably half the people involved in controlling it would be put in the nick. The Department of Health has a cynical attitude to those most alarming reports that have been published, such as that by the British Pest Control Association and the Institution of Environmental Health Officers. In response, the Department of Health said:

"We have not yet seen the environmental health officers' report but we will be looking at it very closely."

Only the Department had not seen the report. At that time, the British Pest Control Association's report had been out for three weeks and the Department of Health, the authority responsible, had not seen it.

The DHSS continued:

"After the last such report, about eight years ago, we recommended to all health authorities, whose responsibility it is, that free access should be given to these officers, and that note should be taken of their recommendations."

With all the notes and all the access in the world, there has been no action that is required by way of investment in the service.

When we talk about Crown immunity and the scrutiny of hospital hygiene, we should perhaps consider what Peter Hartley, the chairman of the environment committee of Westminster city council, said. The city council is controlled by the Conservative party. In a letter to *The Times* dated 24 September last year Mr. Hartley said:

"hygienic practices in Government premises — particularly in DHSS hospitals — are all too often below standard."

Significantly, the letter did not mention private hospitals. I do not know whether Mr. Hartley is interested in those, but he is an expert on DHSS hospitals. He continued:

"These hospitals are, of course, through the active encouragement of the DHSS, subject to monitoring checks by local authority environmental health officers and the conditions there are open to inspection. Other Crown properties are not open to such council inspection and one may be forgiven for wondering what the overall situation really is".

Mr. Hartley complained at length especially about the present law regarding Crown immunity. In the last paragraph he said:

"In the wake of recent disclosures in other Crown premises a positive response from Government is called for."

6.15 pm

I wonder what the Government have to hide by not being prepared to lift Crown immunity regarding hospitals. On 22 June last year the English and Welsh health authorities met in Cardiff. They were told by Mr. John Yates, a research associate at the university of Birmingham, that at some institutions for the mentally ill cockroaches scuttle around the kitchens and patients beds are inches apart. He said that the conditions were absolutely appalling. He referred to a hospital that had dripping, dirty and dark corridors

[Mr. Rogers]

" because the authority prefers to save money to spend on patient care"

I think that his conclusion is wrong, because local authorities in my area do not have money to spend on patient care. I think that his conclusion is wrong, because local authorities in my area do not have money to spend on patient care. The Mid-Glamorgan health authority was told recently that it must give back £5·5 million to the Welsh Office, at a time when one of the most deprived areas of Europe is desperately short of hospital beds and hospital facilities.

Dr. Marek: My hon. Friend has made a pertinent point. The Government, in the Bill, are making sure that hospitals come under the food Acts, but only the kitchens of hospitals where food is prepared. If my memory serves me correctly — we have it only on the Minister's say so — food will be protected under the food Acts as it goes on its way from the kitchens to the patients. My hon. Friend made a point about corridors and inadequacies in other parts of hospitals, besides kitchens. The Government are not doing anything about that. They ought to be invited to do so, unless they see sense at the last moment and accept the new clauses.

Mr. Rogers: My hon. Friend is absolutely right. I do not understand why the Government do not agree to the fairly moderate new clause. It is a simple extension of the principle which the Government have accepted. If the principle is good enough to apply to kitchens, it is good enough to apply beyond them, as we are trying to invoke in the new clause. My hon. Friend is absolutely right in saying that in the large institutions — some of our mental hospitals are large institutions — the time between the preparation of food and when it is given to the patients can be fairly long. The food may have travelled a significant distance from the kitchens before it is given to the patients in the wards.

Mr. Ray Powell (Ogmore): I ask my hon. Friend to refer to a hospital at east Glamorgan in his constituency. At that hospital, the repairs to the underground passage have been completed but the services have not been finished. In areas where there is raw cement and works, food is transferred from one trolley to another before it is taken to patients' beds. I suggest that the Minister should consider hospitals with conditions that I have outlined in the constituency of east Glamorgan, for which the Mid-Glamorgan health authority is responsible.

Mr. Rogers: I am well aware of the conditions. Fortunately, I have used the hospital only once, but, in the past three years, my two daughters have had appendix operations there. The hospital has a marvellous record because of the experience, skill and dedication of the nursing and ancillary medical staff. It dedicates itself to a community which is one of the most deprived in Europe. It has to cope with relatively primitive conditions. There is not enough money to refurbish some parts of the building which perhaps should have been knocked down and rebuilt. Even the refurbishment, to which my hon. Friend the Member for Ogmore (Mr. Powell) referred, which is now taking place slowly, is not enough to bring the hospital up to the high standards set by those who work there.

These concerns are felt throughout the profession. It is not just a matter of the Opposition carping and political dogma. The new clause has been tabled because every section of the community, with the exception of the Government and the Conservative party, wants Crown immunity to be removed. In April the British Medical Association wrote to my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) supporting his campaign for the substantial expansion of the Government's legislation to end Crown immunity in relation to hospital kitchens. The BMA wanted the legislation to be amended to cover all hospitals, clinics and health centres, and wanted the health and safety at work regulations to apply to all staff. That campaign has been carried on by the Labour Front Bench.

No doubt the Government will respond by saying that there will be severe public expenditure implications if Crown immunity is lifted, but I believe that the implications will not be severe. The Government will again hide behind the response that they make to all reasonable legitimate demands. The Government, having accepted the principle of Crown immunity, should accept its extension to places through which food is transferred. That is a reasonable request, and I do not understand why the Government do not accept the new clause.

Mr. Ray Powell: I know that you will bring me to order, Mr. Deputy speaker, if I stray from the new clause.

Reference has been made to the appointment of chairmen of area health authorities. I should like the Minister to give full details of the changes since the Conservative party took office seven years ago, because they concern these new clauses. I want him to refer to the attitude of some chairmen to administration and particularly to hygiene and the money spent on certain parts of the NHS. I am concerned especially with the hygiene regulations that should be followed in hospital kitchens.

At one time, the chairman of an area health authority in Wales, Mr. Ron Evans, was the agent of my right hon. Friend the Member for Blaenau Gwent (Mr. Foot). He was replaced by the solicitor and Conservative friend of the then Secretary of State for Wales. I know, Mr. Deputy Speaker, that you will bring me to order, but —

Mr. Deputy Speaker: Order. The hon. Member is right. He is anticipating my comments. He said at the outset that I would call him to order if he strayed from the subject. He is now doing so. I hope that he will return to the subject of Crown immunity.

Mr. Powell: I was merely prompting you, Mr. Deputy Speaker. I knew that it would not be long before you prompted me. Appointments are important, because the attitudes of chairmen and members appointed to area health authorities affect how finances in the Health Service are directed.

Dr. Marek: Perhaps I am anticipating my hon. Friend's comments. He might be about to say that the excuse that is always given as to why hospitals have never been made subject to the provisions of the Health and Safety at Work, etc. Act 1974 is that there are no lines of communication, line management, and so on, that consensus decisions are made and that no one is in charge. Now that we have general managers that reason can no longer be used by those who seek to prevent the lifting of Crown immunity in hospitals. Is that not an important argument in support of the relevant new clause?

Mr. Powell: It is relevant. My hon. Friend has rightly prompted me to suggest that we should consider lifting Crown immunity because of the declared interests of these managers.

Mr. Rogers: My hon. Friend the Member for Ogmore (Mr. Powell) has referred to the problem in relation to the appointment of the chairman of the Gwent health authority. Would not my hon. Friend be wise if he pointed out that the gentleman who was ultimately responsible for the services in the area had no previous experience of the Health Service, but was simply the solicitor friend of the then Secretary of State for Wales?

Mr. Deputy Speaker: Order. I hope that the hon. Member will not refer to such matters. They have nothing to do with the subject of the debate.

Mr. Powell: I respect your ruling, Mr. Deputy Speaker. I appreciate the point that my hon. Friend the Member for Rhondda (Mr. Rogers) is probing. It is essential that the managers appointed to the new set-up of area health authorities should be experienced in the Health Service. That is as important as any of the measures discussed in Committee. If the managers are not experienced in the Health Service, the proposals in the new clauses will not be effectively carried out. I hope that the arguments during the past two and a half hours have convinced the Minister that he should accept the new clause.

My hon. Friend the Member for Rhondda referred at length to articles in the *Nursing Mirror* about cockroaches, bats, mice and other disease-carrying pests which are taking over hospitals and putting at risk the health and lives of patients. He referred specifically to the British Pest Control Association in a contribution that dealt entirely with the subject matter of the new clause — Crown immunity.

I served on the Mid-Glamorgan area health authority for some years before I became a Member of Parliament. I visited hospitals in Mid-Glamorgan and my job, as a member of one of the committees, was to inspect the kitchens. In addition, my son spent four years in and out of the East Glamorgan and Bridgend hospitals. That gave me a further opportunity to visit hospitals before 1979. Since 1979 I have visited constituents and relatives in the same hospitals. The conditions in those hospitals now are absolutely appalling because of the lack of finance to ensure that they are hygienic. The corridors and passageways are not kept as clean as they should be. The health standards that are required in restaurants, canteens and in the Palace of Westmister are far higher than those that are to be found in the National Health Service.

6.30 pm

Mr. McQuarrie: What did the Labour Government do about removing Crown immunity between 1974 and 1979? The hon. Gentleman referred to hospitals generally as being filled with cockroaches and vermin. That may apply to England and Wales, but it does not apply to Scotland. Nurses are trained not only in patient care but in hygiene. I saw a classic example of that only last weekend at the Royal Alexandra infirmary in Paisley. Ward 8 was spotless and the food that arrived from the kitchens was superb. [HON. MEMBERS: "It is a Labour area."] Yes, it is a Labour area.

Mr. Powell: The hon. Gentleman is fortunate to have those conditions in Scotland. He referred to the Labour Government. That was indeed the ideal period. During that time I served on the Mid-Glamorgan area health authority. The conditions about which the hon. Gentleman boasts in Scotland were conditions that my constituents and I enjoyed in Mid-Glamorgan, but we are not enjoying them now. During that period the Labour Government introduced many protective measures, including the Health and Safety at Work etc. Act 1974. I should like those measures to apply to hospitals as they apply elsewhere. In this place we pass Acts of Parliament but they do not apply to us. Perhaps that is just as well, because I should not like the conditions that one finds in National Health Service kitchens to apply to the kitchens in the Palace of Westminster.

The Government say that they are spending more money on the National Health Service. I have been invited to the opening on Wednesday of a new hospital in Bridgend. We have fought for that hospital for 18 years. It will replace a number of hospitals in Ogmore and in Mid-Glamorgan. [HON. MEMBERS: "Who is opening it?"] The Princess of Wales, and it is to be called the Princess of Wales hospital. However, the new hospital is to replace some of the old hospitals. Many of the old cottage hospitals, which were built with the donations of pennies and threepences a week by the miners, are to be closed. Instead of better facilities, there will be even worse facilities. The small communities will no longer have their cottage hospitals.

I have been round the new hospital and I am not all that enamoured of it. Although some of the cottage hospitals were built a century ago, their hygiene standards are far better than those in the new Cardiff hospitals.

Mr. McQuarrie: That is exactly what I was trying to point out to the hon. Gentleman. The standards of hygiene in the older hospitals are far superior to those in the new hospitals. Nurses are trained to ensure that in listed buildings, which were built 100 years or more ago, high standards of nursing and hygiene are maintained.

Mr. Powell: Then why are the Government closing the old hospitals that we should like to retain? The new hospitals should be used to meet the demand for hospitalisation.

Mr. McQuarrie: As I said earlier, the construction and types of wards in listed hospital buildings are unsatisfactory for modern medical practice, but in rural areas in particular the smaller hospitals can be used for geriatric patients. I have many hospitals of this type in my constituency. Instead of being looked after in massive hospitals, patients are cared for in the very kind of hospitals to which the hon. Gentleman referred — nice little hospitals, where people can feel at home in the latter days of their lives. There is a very good case for retaining such hospitals in rural areas.

Mr. Deputy Speaker: Order. I am afraid that once again we are wandering away from Crown immunity. May we return to the new clause?

Mr. Powell: I am sorry that you intervened, Mr. Deputy Speaker, because I was enjoying the hospitalisation Utopia for which I have been looking and which the hon. Gentleman was describing in Scotland. In Mid-Glamorgan, however, the Government are closing not

[Mr. Powell]

only the old hospitals but the geriatric hospitals. In Mid-Glamorgan, 14 hospitals, including geriatric units, are being closed. They are old hospitals, but they provide better care for patients than some of the new hospitals.

The new clause ought to be accepted by the Government. It will protect those who have to go into hospital for treatment. It is frightening to read the reports to which my hon. Friend the Member for Rhondda (Mr. Rogers) referred. When patients enter hospital they hope to be cured, but because disease-carrying vermin contaminate their food they leave hospital in a far worse condition than when they went in.

Mr. Rogers: My hon. Friend referred to my area, which is adjacent to his constituency, and to the problem we face over hospital closures. We feel passionately about this, because of what is happening at the Pentwyn cottage hospital at the top end of the Rhondda where my hon. Friend was born. It is vital that the new clause should be implemented to extend immunity to this hospital for the remaining period of its use. It is about to be closed. Very severely handicapped children and people with

Mr. Deputy Speaker: Order. The hon. Gentleman is stretching my patience and, no doubt, the patience of the House.

Mr. Powell: I will not wander down that road, Mr. Deputy Speaker.

My hon. Friend the Member for Rhondda spoke about an area that is dear to my heart—the Rhondda, where I was born and bred—and the hospital that he spoke about is on my doorstep. That hospital treated many miners when they were taken out of the colliery just half a mile away. Although the colliery no longer exists, many miners and miners' widows still live in the area and would enjoy the facility of such a hospital. I have spoken about Mid-Glamorgan because it has a lot to do with this new clause. A brand new hospital is being built, but it will not offer the same facilities as the old one. That new hospital is being built as a result of pressure in this House from 1979, so that the 700 people on the hospital waiting list in that area can be accommodated. We were promised a new hospital and no closures, but within seven years hospitals with high standards of hygiene and health care are being closed.

When people go into hospital for treatment of any sort, have they any claim against the authorities if they are infected by vermin or suffer from food poisoning? It has been suggested that boils, abscesses, typhoid, pneumonia, dysentery, worms or jaundice can be contracted by people in hospital as a result of inefficient management. Cockroaches and all sorts of vermin are sometimes found in the food that patients eat. How can a patient prove that that is because of neglect by the management?

Recently I was wheeled through one corridor after another in the Bridgend hospital, from one part of the hospital to another, to have an ear operation. I noticed that the walls were not being repaired, and cobwebs and cockroaches and other vermin could be seen in the corridors along which I was being wheeled. That was before I got into the operating theatre. The theatre is supposed to be kept in such a way that a patient cannot catch an infection or disease. I was just having an ear operation, but I could have been having my leg off.

After my operation I was wheeled back along the same dirty corridors with the paint peeling off the walls and half the floor coming up. In my room, as I was coming round, I saw six people in pinstripe suits standing at the foot of my bed. I thought they were Members of Parliament. I said, "What on earth are you doing here?" They told me that they had come to look at the room because they were in the process of offering a price. "A price for what?", I said. Unknown to me, because on that day I did not have the *Western Mail*, there was a front-page article which said that Bridgend cottage hospital was up for sale, was open to offers and could be inspected almost immediately. I understand it has now been sold. There I was in bed recovering from an operation, and six people were measuring the room because they wanted to purchase the hospital. Surely the health authorities could wait until patients have been properly treated and discharged from hospital before they start selling the building under the very noses of people who have just had operations.

6.45 pm

There should be some measure to force health authorities to ensure that the standards of hygiene we expect in areas like Mid-Glamorgan and throughout Britain are maintained.

I do not want to dwell on the hospital service in Wales. I have also been to hospitals near the House of Commons. There is no way that we can get medical treatment in the House. We have to go to the hospitals nearby. If I were to suffer a heart attack now, I would have to wait until somebody could take me to Westminster hospital or to St. Thomas's hospital. That is because there is no sick room or hospital room in the House. There are 650 hon. Members and a staff of 3,000, as well as other people who visit the House. It is deplorable that we have so few medical facilities. If we worked in industry, we would have better facilities than anything that is available in this place.

Some years ago I went to visit a close friend of mine who was in hospital, the late hon. Member for Newcastle upon Tyne, Central, Mr. Harry Cowans. He was in a room on his own, and the conditions were disgraceful. That is all we can expect when we go forward from the House. It is no different from what I expect when I visit some of the hospitals in Mid-Glamorgan and see the treatment that is available there. It is high time that the Government did something to ensure that standards of hygiene are improved. Patients in hospital should not suffer from infection caused by the problems that I have mentioned. The disrepair of hospitals, especially old hospitals, should be remedied.

I hope that the Minister will respond to the speeches on this new clause by accepting it.

The Minister for Health (Mr. Barney Hayhoe): This debate has gone on for just over three hours and I suspect that the House would like to see it concluded. The longer the debate has continued the weaker the case in favour of this new clause has become. The general conditions that have been so roundly condemned by Opposition Members existed throughout the lifetime of the last Labour Government. This Government have come forward with the initiative to abolish Crown immunity in relation to hospital food and kitchens. That initiative was warmly and rightly welcomed when it was announced by my right hon. Friend a few months ago. There has been hardly a mention of that in the debate and one can only assume from the speeches of Opposition Members that for them history

began with the general election in May 1979. The hon. Member for Holborn and St. Pancras (Mr. Dobson) barely acknowledged responsibility for those matters——

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Deputy Speaker. I have just been to the Vote Office to pick up a copy of the report of the Second Reading of this Bill and it was not available. It is unprecedented for us to have a debate of this nature when the report of the debate on Second Reading is not available. What can be done? I am told that we must wait for it to come from the printers. We are now on Report and many hon. Members want that document for reference. This is a genuine point of order. We cannot all go to the Library and photocopy all the proceedings. It is unreasonable that we should be debating the matter when the arrangements and supporting services of the House have broken down in that way. I wonder whether you will be able to do something, even at this late hour.

Mr. Deputy Speaker: I understand that the hon. Gentleman is complaining that there is not a copy available in the Vote Office of the official record of the Second Reading debate. I shall have some inquiries made.

Mr. Hayhoe: I was talking of the changing situation which existed for many years under the Labour Government. Those Labour Members who have spoken have hardly acknowledged their party's responsibility in these matters. Indeed the hon. Member for Holborn and St. Pancras acknowledged in about 30 seconds that, with hindsight, he would have preferred matters to have been put right earlier. But the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) was wholly and utterly partisan and selective. His world clearly begins in 1979. He was self-satisfied with his own party's record and unfairly critical of others. That narrow, blinkered approach does him no credit at all.

The tragic affair at Stanley Royd has been prayed in aid by many hon. Members. I should make it clear that the report of the committee of inquiry into the outbreak of food poisoning at Stanley Royd reported that the presence or absence of Crown immunity would have altered nothing at Stanley Royd. Available finance has also been referred to. Again, the official report made it clear that resources were not the cause of the outbreak. The reasons were as follows:

"So far as the immediate cause of the outbreak at Stanley Royd is concerned, namely errors and faults in the preparation and handling of food, there are no recommendations which we can make which have not been made before, which do not appear in the numerous publications on catering and hygiene to which we were referred and which were published to everyone concerned. . . . All the rules and principles of good catering practice appear to have been within the knowledge of those concerned in Stanley Royd before the outbreak, including the requirement to keep samples of the food served from the kitchens. The outbreak occurred because those concerned ignored those rules and principles. The failure to follow known rules and principles arose, at least in part, because of the long standing failure of the supervisory grades to supervise adequately. This failure caused venial habits to become bad practices. In turn the failure of the supervisory grades stemmed in part from the failure of management to manage, to check, and to ensure that the staff were constantly reminded of the rules and complied with them."

That must be the background to what we are considering today. Indeed, the report of the committee of inquiry is one of the most powerful arguments in support of general management, which did not exist when the outbreak occurred, being introduced.

Reference has also been made in the debate——

Mr. Kevin Barron (Rother Valley): Will the right hon. Gentleman give way?

Mr. Hayhoe: No. I shall deal with some of the points that have been raised during the debate. The hon. Gentleman was not here and it is important to respond to the points that have been made during what has been a long debate.

Let me deal with competitive tendering. Labour Members, in their usual prejudiced and dogmatic fashion, sought to say that if something was being done by a private contractor it was necessarily bad, with the implication that if something was being done by a public employee it was necessarily good. I reject such a dogmatic and absurd view of the world. The truth is that good practice occurs in both the private and public sectors, just as bad practice can occur in both. I want to see conditions with general management within the NHS supporting good practice and trying to ensure that the sort of failures that occurred at Stanley Royd never occur again.

We have had something of a re-run of the debate in Committee. The hon. Member for Holborn and St. Pancras repeated the arguments that he put then, as did some of his hon. Friends, and so I must repeat some of mine. There is no exact parallel between Crown immunity as it affects hospital food and kitchens and Crown immunity as it affects health and safety legislation and, indeed, other matters.

The Labour Government treated those matters separately and differently. Most of the representations that we as Members of Parliament have received in recent months also treated these matters separately and differently. The Government have made it clear that the test that they apply to deciding whether Crown immunity should be lifted from a given area of legislation is that the case must be made that the lifting of Crown immunity is the best way to secure any improvement in standards necessary to protect patients and staff.

The Government believe that that case has been established with regard to the application of food hygiene legislation to health authorities. That is why the Government have brought forward the measures contained in clause 1. The wider matters to which hon. Members have referred at various points in the Bill's progress, and which were referred to specifically by the hon. Member for Holborn and St. Pancras in moving new clause 1, are of clear importance, but in no instance has the case to lift Crown immunity been made with the same strength as was made with respect to food hygiene legislation.

Mr. Dobson *rose*——

Mr. Hayhoe: Let me deal with some of the points raised during the course of a long debate, in which I listened to every word.

Arrangements were established by the Labour Government when they introduced the Crown notice system which still apply and which are working reasonably well. The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) referred to comments that my hon. Friend the Under-Secretary, the Member for Wycombe (Mr.

[Mr. Hayhoe]

Whitney), had made in replying to the Second Reading debate about the fact that 300 notices had been issued between 1978 and 1984. All had been dealt with and none referred to the Secretary of State concerned non-compliance matters. The Crown notice system, as introduced by the previous Labour Government, gave the power to the health and safety inspectors, if they believed that a Crown notice was not being complied with, to refer that matter to the Secretary of State of the Department concerned.

Suggestions have been made by the hon. Gentleman, and I think elsewhere, that there has been, to put it in unpejorative terms, a more relaxed approach by health and safety inspectors when they were dealing with Crown premises compared with the attitude that they adopted when they were dealing with other premises. I am grateful to have a nod of assent from the hon. Gentleman. The Health and Safety Executive is now tightening up its procedures to ensure that requirements for compliance are as stringent for Crown premises as for firms in the private sector. In particular, it is issuing new procedures with instructions to health and safety inspectors, revised to emphasise that a problem found in a Crown body should receive the same priority as it would in a private concern. The time allowed to do remedial work – a point raised by the hon. Gentleman – should be no more generous than it would be for the private employer. In general, a sense of urgency should be instilled into the execution of any required improvements.

Secondly, copies of all Crown notices that have not been complied with in the time allowed and reports of all offences that, but for Crown immunity, would have led to prosecution, must now be sent directly to the headquarters of the Department responsible for the establishment concerned.

7 pm

A positive and constructive change is being adopted for health and safety inspectors and I believe that that will go a long way towards reinforcing the existing good working relationship between those inspectors and Health Service personnel.

Reference was made to health authorities restricting the access of inspectors. There is no justification for that. Any inspectors who feel that access is being restricted or that they cannot make random, surprise visits should raise the matter with their superiors. It is intended that such access should be available.

The hon. Member for Holborn and St. Pancras and others mentioned the Rent Acts. The effect of Crown immunity is that NHS tenants are not protected tenants under the Rent Acts. However, council tenants are also not protected tenants under the Rent Acts and, as far as I can see, the hon. Member for Holborn and St. Pancras wants to institute for the NHS a regime that I suspect that he would not be prepared to introduce for local authorities. I may do him an injustice, but he certainly did not refer to that matter.

The hon. Member for Holborn and St. Pancras put the debate into the wider context of the Government's policy on NHS residential accommodation. I dealt with the issue in an Adjournment debate on 23 May and I repeat what I said then. The conditions under which staff occupy NHS accommodation and under which health authorities manage the residential estate require examination, with a view to establishing a code of practice or some similar set of arrangements. My right hon. Friend the Secretary of State has therefore asked the NHS management board to review these matters urgently and to consult health authorities and professional and staff interests. I am sure, from the general tenor of what the hon. Gentleman said, that he will welcome that clear undertaking and I hope that the House will welcome its repetition.

The review will consider Crown immunity and it would be wrong to prejudge or pre-empt the review body's consideration.

The hon. Member for Fife, Central (Mr. Hamilton) asked about the circular that I said on 23 May would be sent out fairly soon. I can tell the hon. Gentleman that the advance copy went to regional general managers on Friday and the printed copies for wider circulation will follow.

The hon. Member for Holborn and St. Pancras referred to the West Surrey case. He knows about the case and his comments today were even more odd than was his original prejudice, which was based on a fairly complete ignorance of the background to the incident. The property concerned was not owned by the NHS; it was leased from a trust company, which sought to increase the rent to £5,000 a year – four or five times the previous level. The notice to quit was served on the health authority, which, in turn, had to take action and did so by offering the nurse alternatives. I understand that after a fair amount of to-ing and fro-ing she has accepted alternative accommodation.

Mr. Dobson *rose*

Mr. Hayhoe: The hon. Member for Holborn and St. Pancras wishes to intervene, but let me ask him a question. He seemed to be saying that the nurse should have an absolute right to remain in that property, come what may. But what if the rent had been going up to £10,000, £20,000 or £100,000? Would he still maintain that Health Service funds should be diverted in that way and that NHS management should not take appropriate action to deal with the situation?

Mr. Dobson: For a start, it was the Secretary of State who was stupid enough to give a guarantee without any reservation or caveat. If he had to break his word to do what he thought was sensible, that is his problem.

If the Minister is saying that the Secretary of State's guarantee applies to no leasehold property, why, when the case arose, did the right hon. Gentleman rely on Crown immunity? The Government ought to accept responsibility for people living in NHS property. If they do not, they surely cannot fall back on Crown immunity as a way of getting people slung out.

Mr. Hayhoe: Crown immunity is a side issue in this case. The essential element is that the property was not owned by the NHS and therefore did not form part of the review of the methods of dealing with that property to which my right hon. Friend was referring when he gave the hon. Gentleman that assurance. I am sorry that, despite our correspondence, the hon. Gentleman seeks to place that assurance in a much wider context.

Mr. Dobson *rose*——

My Hayhoe: I will not give way to the hon. Gentleman, because I think that the House is ready to come to a decision on the new clause.

The lurid descriptions of Opposition Members of the state of kitchens and other parts of NHS hospitals could lead one to imagine that things were different when Crown immunity did not apply under the Labour Government. Of course, conditions were precisely the same then. We are improving them, in a limited, constructive and helpful fashion.

Great stress has been laid on unacceptable conditions in many of our hospitals from time to time, but it would be right to end the debate by paying tribute to the staff concerned for maintaining high standards as the normal course. It would be wrong if the critical speeches of Opposition Members sent out a message that was critical of the standards of care and service that the vast majority of NHS personnel give to the Service.

Dr. Marek: The Minister has a contorted view if he believes that conditions are the same as they were under the Labour Government. That is not true, because, by and large, conditions in hospitals were considerably better before 1979.

The explanatory and financial memorandum to the Bill says:

"Clause 1 has no implications for public expenditure."

Yet the Government are seeking in clause 1 to make sure that hospital kitchens come under the food legislation and if there are kitchens that are not up to scratch and in which there are cockroaches, flies, feral cats and other vermin, it will necessarily cost money to bring those premises up to the required standard. The comment that clause 1 has no implications for public expenditure sets the tone of the Bill and tells us what the Government really think of the NHS and its hospitals. They want to make the right noises in public. They will do the minimum necessary, but they will not spend money, because by and large Conservative Members and their friends do not use the NHS.

Mr. Rogers: A letter sent to my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) by the National Association of Health Authorities in England and Wales says that if more effective management is to enable higher standards to be established, extra money will have to be given.

Dr. Marek: My hon. Friend has made the point for me. It is obvious, not only to Labour Members, but to the public, that the Government's hypocrisy has carried them through since 1979. Indeed, they are talking about hanging on until 1988, but the public will not be deceived.

The Government claim that the minimal clause has been introduced because they are dissatisfied with the conditions in hospital kitchens. Of course, that is not true. The credit for the introduction of this Bill must go to the hon. Member for Aldridge-Brownhills (Mr. Shepherd), who was about to have his Bill debated. There was so much concern on both sides of the House about the conditions prevailing in hospitals that the Government had to do something about them. The Government would not have introduced the measure if the hon. Member for Aldridge-Browhills had not been in that situation.

There is no point in introducing a clause that seeks to make only hospital kitchens subject to the food legislation. Food is sent in by outside caterers, has to be prepared, and then travels up and down the corridors. At present we do not know whether the whole area will be subject to the food legislation. After the food has been eaten, the swill and refuse have to be taken away.

My hon. Friend the Member for Fife, Central (Mr. Hamilton) said that cockroaches were no respecters of boundaries. They may primarily eat food that they find in hospitals, or they may find a living in rooms where drugs are kept. The legislation will not cover those areas. *[Interruption.]* The Government are stupid to say that the legislation should cover food but nothing else.

I shall give some examples of letters that I have received about the Bill. This is an important debate. I know that Conservative Members want me to hurry up, but we are discussing a serious issue. I have received a lot of correspondence, and the issue must be given due consideration. The BMA said:

"The Association's Annual Representative Meeting"

which is the policy-making body of the BMA

"last year passed the following Resolution: – That this Meeting believes that Health and Safety at Work Regulations should be enforced on Crown property."

One of the new clauses seeks to do just that.

Why should we ask for health and safety at work legislation to be enforced on Crown property in addition to food legislation? The Health and Safety at Work etc. Act was passed by the previous Labour Administration. It has contributed to safety and the maintenance of standards – something for which the Government have shown little regard. The Act makes

"further provision for securing the health, safety and welfare of persons at work, for protecting others against risks to health or safety in connection with activities of persons at work, for controlling the keeping and use and preventing the unlawful acquisition, possession and use of dangerous substances."

I should have thought that the new clause, which seeks to apply the Health and Safety at Work etc. Act to hospital premises, was unexceptionable in this case. After all, there are plenty of dangerous substances in hospitals. That Act also controls certain emissions into the atmosphere. It makes further provision with respect to the

"employment medical advisory services; to amend the law relating to building conditions".

The ordinary man in the street would immediately say that we needed all those things and that the Act should apply to NHS hospitals.

In 1983 the Health and Safety Commission went so far as to issue a document entitled, "Safety Policies in the National Health Service", which set our guidance for employers in the NHS

"to devise and use effective statements of health and safety policy as required by the Health and Safety at Work etc. Act 1974".

However, the document was disappointing in that its foreword clearly stated that the guidance document did not have the force of law or of an approved code of practice. The Minister made great play of Crown notices being tightened up and reporting being made much stricter, but there is still a deferential attitude when it comes to applying that Act to the NHS. I do not think that any circulars or ministerial prompting of the Health and Safety Executive will change that.

David Basnett, general secretary of the General Municipal, Boilermakers and Allied Trades Union, submitted a document entitled, "The case against Crown Immunity". It cites case No. 2 in which the House may be interested, which concerns an explosion in kitchen equipment. The prosecution of an NHS manager was eventually dropped. I shall briefly go through the case later, but it is a pity that the prosecution was dropped simply because the Health and Safety Executive did not

[Dr. Marek]

have the necessary powers. It had a deferential attitude towards the NHS and was persuaded not to prosecute. "The case against Crown Immunity" says —

Mr. Willie W. Hamilton: On a point of order, Mr. Deputy Speaker. I am trying to listen to my hon. Friend, but these louts down by the Bar of the House are preventing me from doing so. Will you get some kind of order in the place?

Mr. Deputy Speaker (Sir Paul Dean): I am also finding it somewhat difficult to hear. I hope that the conversations taking place in various parts of the Chamber and outside it will cease so that we can hear the hon. Member for Wrexham (Dr. Marek), who has the Floor.

Dr. Marek: The following was said about that intended prosecution:

"An HSE inspector issued a summons against an NHS Area Administrator for a breach of the Health and Safety at Work etc. Act following an explosion in kitchen equipment and other safety defects. (Managers and other employees in Crown premises can be prosecuted as individuals even though the organisation itself is immune). Following intervention by senior HSE Administra-tors the summons was withdrawn and the Inspector was later transferred. The GMB wrote to the Chairman of the HSC to complain and to seek an explanation. In his reply the HSC Chairman said that Crown Immunity had 'complicated the issue' and that the summons had been withdrawn following more than the usual degree of scrutiny by senior HSE administrators who recognised the 'wider implications' of such an action."

It is not just a case that involves issuing a Crown notice or having a quiet word with the administrator or general manager. A risk to life and something quite serious was involved, yet the prosecution was dropped because of the deferential attitude shown towards the NHS by the HSE. The description of the case continues:

"If Crown immunity had not complicated the issue there would have been a prosecution. A similar case involving another large new entrant area, ie employers covered by health and safety legislation or for the first time following the HSW Act 1975, had resulted in the prosecution of a senior local authority employer. The surrounding publicity and shock to senior managers in local authorities galvanised that whole sector of employment into compliance with the health and safety rules. This opportunity has been missed in the NHS due to the deferential attitude towards the NHS by the HSE".

I had hoped that the Minister would take on board some of those arguments. There can be nothing wrong with applying the Act to hospital premises, especially as that would mean an arm's length relationship between the HSE and the NHS. If the HSE found something wrong, it would have statutory backing to take appropriate action. However one dresses it up, Crown notices are apologies for not doing the proper thing, which is to have statutory regulations guiding the HSE on how to secure the safety of the nation.

The staff in hospitals cannot have the same level of concern about health and safety as they would if there were statutory guidelines. Kitchens are dangerous places, and if the Health and Safety at Work etc. Act were applied there would be a formal system of committees, health and safety officers and inspections. That happens in some hospitals anyway, but there is no statutory backing and the staff cannot demand it. It is another failure in the system.

What possible excuse can the Government give for not allowing the Act's provisions to apply to hospitals? I answered that question during my opening statement — the Government do not want to spend the money. They do not care one jot about what happens in the NHS. They would prefer that it did not exist. By and large, Members of the Conservative party do not use the NHS, so the Government do not have the interests of NHS patients or NHS employees at heart.

The BMA document makes other points, but I accept that time is becoming short —

Mrs. Clwyd: Does my hon. Friend agree that the Health and Safety Inspectorate has been run down under this Government and that there are now 15 per cent. fewer inspectors than in 1979? Therefore, the number of visits to factories and hospitals has fallen by 15 per cent. The inspectorate cannot even do the job that it is expected to do. It is no wonder that the Government do not want Crown immunity lifted from hospital kitchens.

Dr. Marek: My hon. Friend makes a valid point. The Government are not interested in the health and safety of employees, only in the health and wealth of their supporters — and they do not find their supporters working in the NHS.

The new clause seeks to extend the removal of Crown immunity so that hospitals come under the Health and Safety at Work etc. Act. The BMA points out that one of the appendices to the Health and Safety Executive document "Safety Policies in the Health Service 1983" gives a checklist that identifies matters that should be covered in safety policy. It is only a guideline, but it involves some detail in identifying matters that should be considered in the implementation of safety policy. Questions were posed under headings such as noise and vibration in hospitals, radiation, dust, toxic materials and their availability and storage, various gases, infection risks and disposal of waste and effluent. Those areas are of relevance not only to staff but to patients, and the guidelines provide a cogent argument to show why the new clause should be accepted.

Patients are not well people — they are ill, which is why they are in hospital. They need more than the usual care given by health and safety inspectors at a normal place of work. The House should bend over backwards to ensure that the most stringent conditions apply.

The BMA document further states:

"The 1974 Act was to make further provision for securing the health and safety of persons at work and for protecting others against risks to health or safety in connection with the activities of persons at work."

I have given the House a fair impression of what the BMA thinks about this matter. It is a great pity that the Government are obdurate in their insistence upon saving money and not giving their blessing to the new clause.

The Royal College of Nursing also believes that Crown immunity should be removed. A letter from its general secretary of 12 May, which I suspect has been sent to many hon. Members, states:

"The Royal College of Nursing welcomes the Government's plans to amend the law relating to Crown immunity in respect of the Food Act 1984. The RCN would also urge amendments to the Health and Safety at Work etc. Act 1974 to remove the Crown's immunity from prosecution under that Act."

Why does it say that? It is the major nursing union in hospitals and has direct experience of what happens. It has given its considered judgment.

The National Association of Health Authorities in England and Wales has written to express its support for new clause 1. It states that at its annual general meeting the following resolution was passed:

"That Crown property should be legally subject to the same rights and requirements as other property in respect of matters of public concern such as environmental health and health and safety at work and that the present immunity should be removed."

There are many other paragraphs in that letter, but I shall not read them because that paragraph is sufficient. It is a responsible body that has the NHS very much in its mind. It supports an extension of the removal of Crown immunity along the lines of the new clause.

The Consumers Association does not go quite that far, but in a letter it complains about the enormous powers reserved for Ministers and states:

"We have one serious reservation about the Government's Bill as it is drafted and this concerns clause 2(*b*). It seems that this subclause would give Ministers the power to reduce or even eliminate the application of the main principles of the Bill in virtually any way they see fit."

The Government have done only the minimum necessary, and the view of that body is that Ministers are being given powers to reduce even what the Government are giving in clause 1.

The British Pest Control Association believes that the problem of pest infestation has grown so rapidly that most hospitals are now affected. It is not saying that infestation has been present during the last six years under the Tory Administration at the same levels as under the previous Labour Administration. It says that the problem has grown rapidly and that most hospitals are now affected. That gives the lie to the Government's assertion that the problem existed when the previous Labour Government were in office and that the present Tory Government are taking action.

I am not saying that the problem did not exist under the previous Labour Administration, but I contend that the Government's refusal to spend money on the NHS has led to the problem becoming more severe. The Government talk about expenditure of 24 per cent. in real terms, but that is a gross misrepresentation of the figures. I am grateful to the Minister for not repeating that misrepresentation when he replied to the debate. The real fact is that hospitals have been starved of money and have suffered throughout the past five years. Less money is available to them in real terms than hitherto.

7.30 pm

Hospitals are suffering because of the presence of private contractors in many institutions. That is one reason why the clauses have been tabled. If the House accepts them, it is undeniable that there will be a need for extra finance to be provided by central Government or from some other source so that matters can be put right. I believe that the extra finance must be provided in any event. Infestation is so bad that extra money will be necessary if the law is to be obeyed. If the clauses were passed, our case would be overwhelming and extra money would have to be provided.

Private contractors are not interested primarily in the health and wellbeing of patients; they are interested in providing profits for their shareholders. I hope that the Government will not say outside the House that the Opposition have said that that is their view of the staff and workers of private contractors. I am not saying that. I accept that those people have been up to the mark. Unfortunately, the conditions under which they have to work, the materials with which they are provided, low pay, a consequent lack of morale and inevitable uncertainty have led to the grave situation that is now to be found in our hospitals.

The Opposition believe that the Government have gone a small step towards making life in hospitals for patients and NHS staff slightly better. They have done this only because the hon. Member for Aldridge-Brownhills has a Bill which is about to be debated and voted upon in private Members' time. We do not believe that the Government would have brought forward this measure if that had not been the position. Additionally, we believe that there is a long way to go and that extra provision should be made. Crown immunity should be removed completely and more finance should be provided. This is necessary because the Government have not been providing a real increase in finance for our hospitals. Given the seriousness of the clauses, the Opposition will be asking for separate votes.

Question put, That the clause be read a Second time:

The House divided: Ayes 130, Noes 214.

Division No. 211] **[7.33 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Benn, Rt Hon Tony
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Crowther, Stan
Cunliffe, Lawrence
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
George, Bruce
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
McCartney, Hugh
McDonald, Dr Oonagh
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Nellist, David
Oakes, Rt Hon Gordon
Park, George
Patchett, Terry
Pendry, Tom
Powell, Raymond *(Ogmore)*
Radice, Giles
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George

Rogers, Allan
Rooker, J. W.
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Skinner, Dennis
Smith, C. *(Isl'ton S. & F'bury)*
Snape, Peter
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W. Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Ron Davies.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holt, Richard
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunter, Andrew
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maxwell-Hyslop, Robin
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Michael *(S. Worcs)*
Squire, Robin
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Taylor, Teddy *(S'end E)*
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Twinn, Dr Ian
Viggers, Peter
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Watson, John
Wells, Bowen *(Hertford)*
Whitney, Raymond
Wood, Timothy

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Francis Maude.

Question accordingly negatived.

New Clause 3

APPLICATION OF HEALTH AND SAFETY LEGISLATION TO HEALTH AUTHORITIES

1.—(1) For the purposes of the health and safety legislation:

(a) a health authority shall not be regarded as the servant or agent of the Crown, or as enjoying any status, immunity or privilege of the Crown; and

(b) premises used by a health authority shall not be regarded as property of or property held on behalf of the Crown.

(2) The appropriate authority may by regulations provide who is to be treated as the user, occupier or owner of any such premises for any of those purposes; and

(3) The powers to make regulations altered by subsection (2) above shall be exercisable by statutory instrument.

(4) A statutory instrument containing regulations made in the exercise of the power conferred by that subsection shall not be made unless a draft of the instrument has been laid before Parliament and approved by a resolution of each House.

(5) Section 125 of the 1977 Act and section 101 of the 1979 Act shall have no effect in relation to any action, liability, claim or demand arising out of the health and safety legislation.'.—*[Dr. Marek.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The House divided: Ayes 124, Noes 192.

Division No. 212] **[7.46 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Benn, Rt Hon Tony
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Crowther, Stan
Cunliffe, Lawrence
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
George, Bruce
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
McCartney, Hugh
Maclennan, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Nellist, David
Oakes, Rt Hon Gordon
Park, George
Patchett, Terry
Pendry, Tom
Powell, Raymond *(Ogmore)*
Radice, Giles
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Ron Davies.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Best, Keith
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Bright, Graham
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Sir W. *(Croydon S)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Harris, David
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holt, Richard
Howard, Michael
Hubbard-Miles, Peter
Hunter, Andrew
Jackson, Robert
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Joseph, Rt Hon Sir Keith
Kelleti-Bowman, Mrs Elaine
Key, Robert
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maxwell-Hyslop, Robin
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Ottaway, Richard
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Michael *(S Worcs)*
Squire, Robin
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Taylor, Teddy *(S'end E)*

Thompson, Donald *(Calder V)*	Waller, Gary
Thompson, Patrick *(N'ich N)*	Watson, John
Thorne, Neil *(Ilford S)*	Wells, Bowen *(Hertford)*
Thurnham, Peter	Whitney, Raymond
Townend, John *(Bridlington)*	Wood, Timothy
Twinn, Dr Ian	
Vaughan, Sir Gerard	Tellers for the Noes:
Viggers, Peter	Mr. Tim Sainsbury and
Wakeham, Rt Hon John	Mr. Francis Maude.

Question accordingly negatived.

New Clause 4

ADJUDICATING PANEL

"(1) Any determinations made under Section 3 may be referred to an adjudicating panel of independent members appointed by the Secretary of State by regulation for a period of five years by any affected person within four weeks of the determination being made and published.

(2) The adjudicating panel will consider the reasonableness of the determination and may refer any determination back to the determining authority for further consideration.".

[Dr. Marek.]

Brought up, and read the First time.

Dr. Marek: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to discuss the following amendments: No. 46, in clause 3, page 6, line 16, leave out subsection (2).

No. 49, in page 6, line 20, leave out subsection (3).

Dr. Marek: The new clause is important. It would not be so important if we had a normal Government, but we do not have a normal Government. They have been prepared to act unreasonably many times. That is illustrated by the many occasions on which the former Secretary of State for Transport was hauled before the courts for acting unreasonably.

The Opposition believe that the Bill gives far too many wide powers to the Secretary of State for Social Services, especially in determining the remuneration for persons providing general medical services. The Bill enables the Secretary of State, if he has any new information, to reconsider a determination and, on the basis of that new information, to reopen the negotiations and try to claw back some money.

That was done recently with the opticians. I shall deal with that case at some length because it went to the Queen's Bench division of the High Court of Justice and the Secretary of State lost the appeal against the opticians. He did so for several reasons. The judgment is interesting. From it, we understand why clause 3 has been drafted as it has. The judge used certain arguments when finding against the Secretary of State. All those arguments are provided for in the Bill. Should there be another court case, a judge would not be able to deploy them.

Amendments Nos. 46 and 49 relate to the deletion of clause 3(2) and 3(3). To some extent, they are probing amendments. Amendment No. 46 would leave out clause 3(2), which provides:

"An earlier determination is to be taken to have been unsatisfactory only if, had it fallen to the authority to make it at the time of the later determination, the authority would have made it on the basis of different information."

The subsection can be interpreted very widely. Information does not have to be replaced. Different information could be more information. In such circumstances, the Secretary of State could argue that one year has passed since fixing the price for spectacle lenses, dentures or surgical appliances, that he has extra information, and that he will reopen the procedure.

The Minister will say that we have perfectly good working arrangements between contracting services and the DHSS and that we ought to give them a chance. He will argue that we should let bygones be bygones and that the Government will not try to recover the unintended profits from opticians. He will argue that, if only the House trusts him, everything will be all right.

8 pm

I shall not say that such a statement would be dishonest, but we are legislating for more than the next year or two years. A Minister in a future Government might contend that he has certain powers and would not read the present Minister's assurances. Besides, one Administration cannot bind a successor. The Minister might then use the wide power in clause 3(2) to reopen a determination on the basis of perhaps a very small difference in information.

New clause 4 and amendment No. 46 would stop such action and ensure that, once a determination has been made, it will be left alone. It is important for the contracting professions, such as dentists, pharmacists and opticians, to know where they stand. We still have the problem of future determinations recovering money on different products or services. That is what happened with the so-called unintended profits made by opticians.

The Secretary of State has declared that he would recover the money that opticians made from supplying discounted glasses on eyesight tests. He intended to recover the money from every optician practising at the time, although some might have entered the service only after the profits had been made. That is hardly a moral line and it was much resented by the profession. I am pleased that the Minister has accepted the judgment in the Queen's Bench division and said that he will not try to recover those profits under this Bill if he is empowered as is suggested.

The Secretary of State was quite prepared, however, to take discriminatory action against a class of contractor. It is important to be able to restrain the Minister so that he cannot do anything that he likes.

Amendment No. 49 would leave out clause 3(3), which provides:

"If an amount falls to be deducted by virtue of subsection (1)*(a)* above, the determining authority, in fixing amounts of remuneration for persons to whom the determination relates, may have regard to the period within which they first provided services of the description to which it relates."

The Opposition do not necessarily oppose the subsection, but we strongly oppose the word "may". The matter was not discussed properly in Committee. "May" should be replaced by "shall". If the Minister is persuaded by our arguments, I hope that he will ensure that such an amendment is made in another place.

We should have "shall" for equity's sake. There should be a system in the DHSS which enables us to track down who provided a service, who entered the profession and who retired. When negotiations are c ed and a determination is made, that should be the end of the matter. We should not be empowering the Minister to reopen any determination which he sees fit to reopen on the basis of almost any excuse.

New clause 4 is a way out of the dilemma. It proposes:

"(1) Any determination made under Section 3 may be referred to an adjudicating panel of independent members appointed by the Secretary of State by regulation for a period of five years by any affected person within four weeks of the determination being made and published."

If the Minister has, perhaps unfairly, determined that the amounts payable should be X plus Y, the contracting parties would have some recourse to an independent adjudicating panel.

New clause 4(2) proposes:

"The adjudicating panel will consider the reasonableness of the determination and may refer any determination back to the determining authority for further consideration.".

The intention is not that the adjudicating panel should judge the determination and go through the lengthy process involved. It is possible that a Minister might be leant on by the Treasury or the Prime Minister to save as much money as possible and he might therefore calculate the figures unreasonably and impose his determination against the will of the contracting parties. The new clause provides some safeguards against such action by a Minister.

I would not normally propose such a new clause, because Ministers usually act reasonably and try to serve the public. The present Government, however, are noted for being comprised of Ministers who make decisions that are found to be beyond their power or incorrect. The Secretary of State for Transport is one; the Secretary of State for Social Services is another, his board and lodging payments regulations having been found to be illegal and not properly drafted.

I shall deal with the case of The Queen *v.* Secretary of State for Social Services application for judicial review in the High Court of Justice, Queen's Bench division. It is important for the House to know exactly why the judgment went against the Secretary of State. The judgment starts:

"The question to be answered in these cases is essentially the same. Namely whether or not the Secretary of State for Social Services can recover sums which he calls 'unintended profits' which he says he has paid to ophthalmic opticians in England and Wales in the years from 1978 to 1985."

The Minister, not the opticians, called them "unintended profits". As I understand it, they arose because opticians were granted certain sums for spectacles, and, because of competition in the market, certain discounts were given to opticians, who then pocketed them.

The Department was sadly at fault in not perceiving that that had been going on for about four years. It should have been on the ball and said, "Last year you made the extra profits from discounts. We shall change that." Eventually the DHSS woke up to the fact. Its sampling system is at fault, from the usual trouble of not having sufficient manpower to police the determinations and the agreements. Therefore, it does not have a good statistical basis on which to place its determinations. If the Government had spent more money and employed more people, this would probably not have arisen. Amendment No. 46 would not allow the Minister to reopen determinations on the basis that different information had been supplied. If that had been the case, there would have been pressure on the Secretary of State to ensure that, when a determination was made, it was made properly. It would not then need to be reopened.

The judgment continues:

"However the issue is described that is the real nature of these cases. There are two separate cases because two representative bodies have made their own applications. But the cases dovetail and interlock to such an extent that I consider them as one.

I say at once, since I do not believe in suspense, that the applicants succeed in their arguments before me, and thus the Secretary of State may not in my judgment recover the relevant sums."

It would have been nice to see a sentence in the Bill saying that the Department would not recover any sums by primary legislation at this stage. I know that the Minister gave that assurance in Committee *[Interruption.]* This is primary legislation.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): That would have been an extremely odd sentence to insert in the Bill.

Dr. Marek: It could have been inserted through a clause similar to clause 1(8), which states:

"This section shall have no effect in relation to anything done or omitted before its commencement."

A similar sentence at the end of this part would have laid to rest a great deal of the apprehension within the profession. The opticians' and dentists' bodies read *Hansard*, but I wonder whether every optician reads *Hansard* as assiduously as Ministers and hon. Members and the bodies representing the professions. If that had been inserted, it would have shown the Government's intention to be fair as opposed to their apparent intention to get away with spending as little as possible.

The judge continues:

"The amount involved is said to be over £14 million of which the Secretary of State assessed that he might recover over £11 million in the course of the next two years should his proposed arrangements for recovery be held to be lawful.

It should however be noted at the outset that the applicants have never accepted that the sums involved are properly described as 'unintended profits'; and (in the case of the Federation of Optical Corporate Bodies) Sir Ian Percival points out that the Secretary of State is unable to identify specifically any sums which may have accrued to his corporate clients and relies upon an 'imputed' figure of £3·5 million as their share in the total sum in question."

8.15 pm

That speaks for itself: the Minister could not identify any sums specifically. Hon. Members will note that powers are given to the Minister in clause 3. Subsection (5) makes the distinction when it states:

"If the later determination is of remuneration for a category of services falling within one of the descriptions of services mentioned in section 43A(1) of the 1977 Act or section 28A(1) of the 1978 Act, it is immaterial whether the earlier determination was of remuneration for the same category of services or for any other category of services falling within the same description."

That makes it clear that it does not matter which category of services it is. The Minister has wide powers to go from one category to another and to make later determinations for different categories from those of the earlier determinations.

The judge talks about members of the Bar appearing before him, and, in his judgment, continues:

"In the same context Mr. Bagnall points out that while his clients did achieve substantial discounts in their buying of spectacles in the relevant years this was perfectly well known to the DHSS from 1978 onwards, and palpably clear from 1982 (see the PAC documents). And . . . full deployment of the history would show that such discounts were necessary for survival in many cases because of the DHSS decision to withold very large sums (up to £92 million at one time) which were legally due to the opticians. The residuary £6 million of that retained sum was only accepted as repayable recently. So

[Dr. Marek]

that again the applicants say that the overall history would not justify any criticism of the opticians nor any conclusion that they had become unjustly enriched in any way."

The tenor of the judge's statement is that the Minister is not acting reasonably or morally, and that he is not considering dispassionately the reasons why the position arose. It suddenly came to his attention.

Earlier I said that I did not believe that the DHSS knew what was going on, but the judge states that it did. If the DHSS knew what was going on but did nothing, that is worse than if it had not known. The judgment shows that the Minister was acting unreasonably and was prepared to go to the courts to recover the money, without allowing any discussion as to whether the so-called "unintended profits" were unintended. He simply assumed that they were unintended profits, penalised the opticians, and said, "I shall recover this money. What is more, I shall recover it for another service and from everybody, not just from those who benefited from these unintended profits." How much more immoral can one get than that?

The judge continues:

"It should be noted that the fixing of the fees and payments by successive determinations is unilateral, in the sense that no agreement or arbitration is provided for by the Act or the Regulations."

It is clear that the judge was not happy about this, and any dispassionate person aiming to judge the case on its merits would regard this as fair.

The judge goes on to say:

"The Secretary of State is (as Mr. Carnwath put it)"—

I take it that he is another barrister—

"determining rates on which he is willing to do business with practitioners and he lays down the fees and charges. Mr. Carnwath added that the Secretary of State says in his Statements, 'These are the terms on which I think it is reasonable to seek these facilities'.

Actual payments for services by the relevant Committee are subject to specific rules as to over payments made in error or in circumstances where it was not due . . . Within certain constraints therefore the Secretary of State acts in his discretion. But it can at once be seen that the rates can be altered at any time by a fresh determination, so that the correction of any imbalance is wholly in the hands of the Secretary of State."

I emphasise that last sentence, because it is crucial to the way that the Bill has been drafted. It says:

"But it can be seen at once that the rates can be altered at any time by a fresh determination, so that the correction of any imbalance is wholly in the hands of the Secretary of State."

The judge pulled up the Secretary of State, and that is why these powers are included in clause 3. They give the Secretary of State back his untrammelled powers. Everything will be in his hands so that he can make different determinations, or whatever. The new clause and the two amendments seek to restrict the Secretary of State's powers a little by not allowing him this unbridled freedom to do what he wishes.

The Federation of Manufacturing Opticians rejected an alternative argument that included these words:

"While it is, of course, the case that the sums contained in the Statement are those which we have negotiated with you, there is nowhere in the Statement or in the Terms and Conditions of Service of opticians any prohibition, explicit or implicit, on their obtaining more favourable terms if they are able to do so."

If that is the case, the way that the determinations are made should be looked at. It looks as if some hole or gap is available into which wording could be put to tighten up the regulations under which determinations are made. That means not that the answer should be that the Minister should be given these powers, but that he should go away and look at the regulations and the way in which he fixes the determinations between the contracting parties to make sure that those unintended profits are not made.

The judge continues:

"From 1978 onwards it is said that because of discounts available to opticians and (as it seems to me) because of reduced costs in lenses and in manufacture, the Statement payments in respect of appliances have allowed opticians to recover more than the Secretary of State intended, since his intention was that payments should be 'neutral'."

The Secretary of State's intentions may have been that the payments should be neutral, but he did not set up the body, the determination, the apparatus, the consultations and the committees to ensure that these payments should be neutral. He now proposes that we give him blanket powers to go back two, three, or even five years and say that the payments were not neutral and that he would recover the difference.

I am not arguing—and my hon. Friends will agree with me—that the Opposition should support whatever the contracting parties to the NHS should be doing.

Mr. Whitney: Progress.

Dr. Marek: This is an important argument. If the contracting parties were unsure of their future and did not know what the Secretary of State would do about the determinations that had been made years before, that must affect the quality of service that the NHS enjoys from these contracting parties.

I do not want contracting parties to be overpaid or underpaid; I want them to have just the right amount. Any legislation could ensure that. I am glad that the Minister nods. I am sure that both sides of the House would agree with that. The argument is about how we get this. The right way to go about it is not to allow the Minister powers arbitrarily to change the determination at a later time.

The judge goes on:

"Back in 1977 'prescription houses' advertised their services at Statement rates . . . but after that year the DHSS concluded that unintended profits were being made. Some 'realignment of statement rates' was done as from April 1982 and on other occasions, but according to the DHSS this did not produce the intended result. So for 1985 the present assessed figure is the disputed £14 million."

Was there any bungling or any incompetence in the DHSS in not being able to assess the figure accurately? This has been going on since 1977. The judge says:

"Some 'realignment at statement rates' was done, but according to the DHSS this did not produce the intended result."

Are we doing the right thing in passing this primary legislation? Should we be looking instead at what goes on inside DHSS offices at the Elephant and Castle to make sure that the procedures are carried out efficiently, that there are enough staff to undertake the procedures and that the procedures are accurate once they have been carried out? It would have been better if the Minister had looked at the matter from that point of view, instead of taking the easy way out and saying that, as the Government have a majority, it does not matter what they put in the Bill. There might be 15 Tory Members rebelling on Monday night, a different 15 rebelling on Tuesday and yet a different 15 on Wednesday, but it will not matter because of the Government's majority.

Mr. Roland Boyes (Houghton and Washington): How many rebel on Thursdays?

Dr. Marek: They often rebel.

I suspect that that may have been in the Secretary of State's mind when this legislation was introduced. He might have said, "Let us not think too hard about it. This gives us all the powers that we need and certainly all the powers that we thought we had before the judgment. Our life would be made easier if that happened." That may be the case, but our society would not then be as fair as it would be if the Secretary of State went about it another way and looked at his own procedures and organisation within the DHSS.

The judge says:

"It is to be noted that the Statement figure still comes solely from the Secretary of State who obtains his information from the suppliers and not from the opticians. So that the opticians are in no way responsible for what the Secretary of State says has happened."

The argument gets worse and worse. The price fixing was with the suppliers, not the opticians, as hon. Members will note.

The judge is not sure about the next point. He says:

"Furthermore, assuming that more has been paid than was 'intended', the Secretary of State accepts that there is 'no legal basis for imposing the recovery of unintended profits; recovery can only be achieved by agreement' (see DHSS Memorandum of 1st February 1982, page 71 of the Westhead bundle). This theme is often repeated in the answers given to the Committee of Public Accounts. For example, see page 75 of the Westhead bundle:

'Sir Kenneth Stowe. . . . In considering the future settlements within the relevant Whitley machinery of their remuneration we certainly will want to have regard to the fact that they did get this additional sum of money.

The Chairman. But you have no power in that respect?

Sir Kenneth Stowe. We have no power; that will be for negotiation.'"

We must have some semblance of negotiation and agreement if agreement is to be reached. However, earlier there was a statement saying that when the final determination is made — perhaps the Minister will be able to reply on this —

"it can at once be seen that the rates can be altered at any time by a fresh determination, so that the correction of any imbalance is wholly in the hands of the Secretary of State."

The way in which the negotiations take place gives the appearance of agreement. When the Department is behaving properly and is not under the influence of the Treasury, the Prime Minister, or monetarist economic policy, the negotiations leading to determination work well.

The amendments are tabled to cover the case when the Minister is under pressure from outside forces and when the Minister has to attend to economic policies more than we should want. The Minister's first priority should be to achieve the best possible National Health Service.

8.30 pm

The judge says:

"I refer to these samples from the evidence since in my judgment there is no practical or moral blame which can be imputed to the opticians, since they played no part in fixing the rates nor did they ever conceal anything or seek more than was volunteered to them."

I suspect that the fault is with the Ministry and the DHSS rather than with the opticians.

The judge says later:

"First, it does seem to me that this case is not much affected by questions of onus. The applicants are attacking the Secretary of State's determination and Statement. So that to that extent they seek a remedy and would in most cases bear the burden of proving their case. On the other hand, the Secretary of State is admittedly and wholly openly seeking to recover moneys from the opticians, and he cannot do so unless he acts lawfully."

Later the judge says:

"Secondly it is right, as Mr. Bagnall says, that there is an element of retrospection in what the Secretary of State seeks, although the 1984 legislation is not strictly retrospective. And also the direct result of the Secretary of State's action is to take back from the opticians' profession moneys to which they had plain and directly unassailable legal rights.

Unless therefore the Secretary of State has a plain and clear right to act as he seeks to act he should not be allowed to proceed. As a general principle that proposition seems to me to be correct."

It is symptomatic that the Secretary of State seems to think that he has powers to act arbitrarily without considering the merits of the case. This judgment told the Secretary of State that he could not do that. That is why clause 3 is phrased as it is. And that is why amendments Nos. 46 and 49 and new clause 4 were tabled. They attempt to restrict the Secretary of State's power.

The judge goes on:

"Thirdly I am urged to say that the Secretary of State's action is an expropriation or levy or tax, and that special considerations thus apply. But these words are somewhat emotive and this part of the applicants' argument is not in my judgment of great significance."

The judge has accused the Secretary of State of using an element of retrospection in what he seeks to achieve. Can we allow legislation to permit so much freedom to the Secretary of State, especially with the experience in the case to which I have referred?

The judge says that the Secretary of State's action is an expropriation of tax. If that were made known in the press everybody would be appalled. I can imagine what would be said if the Opposiiton Front Bench advocated a policy which allowed a Secretary of State to expropriate such funds. I can imagine what capital Conservatives would make out of that.

I hope that the House will consider seriously what is happening. The judge continues:

"I have already said that in seeking recovery there must be justification for the course taken, and I do not believe that the questions to be answered are helped by comparing the position with that which rules in special fields such as tax, any more than it can or should be decided on a basis of overall fairness . . .Without the help of the 1984 legislation in my judgment there would be no sensible argument for the Secretary of State to advance. Under Regulation 10 of the 1984 Regulations he could simply determine the fees payable and the payments to be made for the relevant services for the future."

It is just as well that we have that legislation, because without it the Minister would have got away with this immoral act of expropriation and retrospection. The judge continues:

"I do not understand Mr. Carnwath to be strongly arguing that without the 1984 Act the Secretary of State could have acted as he did, although I am aware that he did not concede that this was so.

What then is the position as to the 1984 Act? Section 7 adds two Sections respectively to the legislation which governs England and Wales and that which governs Scotland. These Sections are intended to provide (says Mr. Carnwath) a general code for setting fees and remuneration for the professions in the National Health Service, since at present the code provided by current legislation is sketchy.

I am not entitled to enquire why such amendments were necessary or desirable, and I therefore simply consider them as they are.

First I stress that only subsection (4) of Section 7 is at present in force. That subsection provides that 'any

[Dr. Marek]

determination. . .which was made—

(b) after (the passing of this Act) but before the coming into force of a provision inserted by this section

shall be deemed to be validly made if regulations authorising such a determination could have been made had that provision been in force at the time'."

Clause 3 seeks to revert to the previous position so that the Minister would have the power to have a new determination. The provision is couched in slightly different words because there would have to be different information but it is not beyond the wit of any Minister to dig up new information and to claim that the information was different and that therefore he has the power to reopen the determination.

Perhaps I am being too cynical. If that is so, I expect the Minister to show us the colour of his money. He should take on board what I have said and offer to introduce another clause in another place.

The judge goes on:

"All agree that the subsection (and indeed other parts of the Section) are obscure. But I have to attempt to see through that obscurity."

Mr. Jeremy Corbyn (Islington, North): Read the whole judgment.

Dr. Marek: I would but that would take a long time. I shall continue. The judge says:

"Looking at section 7(3)(7)*(a)* I am however wholly unconvinced that it allows the Secretary of State to recover these moneys."

He does not use the words "on the balance of probabilities, taking one argument with another I believe that the Secretary of State is allowed to recover these moneys." He says that he is "wholly unconvinced" and that there is no case for the Secretary of State trying to recover such moneys. The reasons he gave were:

"First, I read the subsection simply and solely as an explicit statement that past expenses may be taken into account after taking discounts into account in making a determination for the future. Secondly the subsection allows future trends expressly to be considered. Thirdly the subsection eliminates an argument that some who would not have incurred or will not incur specific expenses are outside the ambit of the determination. These matters are spelt out for the assistance of all concerned.

But in my judgment there is a distinction between 'taking into account' what has happened in the past with a view to fixing rates for the future and thus achieving a fair rate for the future, as compared with recovering sums which the Secretary of State believes to have been 'over-reimbursed'."

The judge is an eminently respectable, responsible and honest person. I think that he was speaking as an average citizen. The crux of the argument lies in the words:

"In my judgment there is a distinction between 'taking into account' what has happened in the past with a view to fixing rates for the future and thus achieving a fair rate for the future, as compared with recovering sums which the Secretary of State believes to have been 'over-reimbursed'."

If a determination is made, it should not be reopened. Powers should not be given to the Minister to reopen the determinations once they have been made, on the pretext of different information. If the Minister has made a mistake he should go voluntarily to the contracting parties and say, "There is a mistake. You are sensible people. Can we agree on a scale of payment in future?" I am quite sure that the contracting parties would agree to that, if he approached them. He should also say to them, "We have made a mistake. I have no intention—in fact, I have no powers—to reopen the determination and cause many problems for people who may have retired and perhaps new entrants into the profession who, therefore, were not affected by the determination." The Minister should say, "The determination has been made. We must do something about it in future. Let us talk and see whether future determinations cannot be dealt with more appropriately." That was the judge's view. That sensible view is shared by myself and my hon. Friends. The judge went on to say:

"Even if I am wrong as to this, and even if the subsection does in terms allow recovery in certain circumstances I am however also convinced that the Secretary of State meets a further insurmountable hurdle.

Section 7(3)*(a)* allows him to take into account the prescribed matters 'in connection with the provision of services of a kind to which the determination will relate'.

The applicants submit that in this context this cannot possibly allow reduction of sight testing and dispensing fees since the relevant expenses which are being considered simply do not relate to the sight testing and dispensing activities of opticians at all.

In my judgment the supply of appliances is not the provision of services 'of a kind' to which the determination of fees for sight testing and dispensing relate. Broadly the provision of general optical services describes the services provided by opticians, but those services are in my judgment of three kinds, namely sight testing, dispensing, and the supply of appliances."

Later, he said:

"Logically this should also in my judgment be correct since it would surely be unjust to a practitioner dealing solely in sight testing and/or dispensing to recover from him any part of moneys accrued to others in respect of 'unintended profits' gained from the supply of spectacles."

Subsection (5) of clause 3 states:

"If the later determination is of remuneration for a category of services falling within one of the descriptions of services mentioned in section 43A(1) of the 1977 Act or section 28A(1) of the 1978 Act, it is immaterial whether the earlier determination was of remuneration for the same category of services or for any other category of services falling within the same description."

That is another vivid illustration of the Minister trying to have his bread with butter and jam on both sides. He was found wanting by the judge. He was found wanting in terms of ordinary, commonsense action. In a slightly wrapped-up way, he tried to restore his untrammelled powers of freedom that he thought he had and which he was quite prepared to use in acting quite unfairly and immorally. The judge said:

"To some extent this injustice is sought to be alleviated by the provision of a full £8·60 by way of determination of sight testing fees for such practitioners as test sight only. But in my judgment the need for such a distinction highlights the fallacy in the Secretary of State's argument in this respect."

The judge made an important point at the end of his judgment.

"In my judgment there is here an identifiable illegality (in the sense of that word as used by Lord Diplock at p 410 in the case of CCSU v. Minister for Civil Service, 1985, AC p 374) in that the Secretary of State has not acted within his lawful powers in the process of deciding what is the fair determination of fees for sight testing and dispensing. This should in my judgment be subject to control and correction by judicial review and by the imposition of such a declaration as may resolve the problem in this case."

8.45 pm

The judge wants the proper judicial review and control. The Bill does not provide any control whatsoever. It allows the Minister to do what he wants. The intention of new clause 4, amendment No. 46 and amendment No. 49 is to impose some control over the Minister. The judge said:

"I am comforted in my conclusions in this case by a conviction that this result is just, since the opticians played no direct part in fixing the payments for appliances over the relevant years, and if there was fault or failure in the assessment of those payments it was the fault or failure of the DHSS and thus the Secretary of State."

I have referred to other aspects of the procedures within the DHSS which could be at fault and which I suspect were at fault. The Secretary of State takes responsibility for this sorry affair, but it is quite wrong of him to try to get over it by producing a Bill as he has. The judge continued:

"I do however stress that I impute no bad motive to the Department and furthermore there has been no sort of concealment of the full nature of the decision-making process. This has given the applicants the ammunition with which to make their case."

I am pleased that the judge wrote that. It makes me think that the Department was good-natured but incompetent. It was incompetent either because it did not have the manpower to do the sampling and go through the procedures to be able to provide the Minister with the necessary information that certain things were happening, or it did not know about it. The judge seems to think that the Department did know about it but that it failed to carry out efficient administration. In some ways, that is worse than if the Department did not know. I hope that, if that is the case, the Minister will put it right and ensure that the new systems of determination are adequately manned so that they are dealt with in a correct and efficient manner. The judge said:

"It seems to me also just that the loss (if there truly is one) should lie where it falls, upon the shoulders of the taxpayer,"—

we have the Minister to thank for that—

"since otherwise it could well be that a substantial number of opticians or firms which did not benefit from the payments made between 1978 and 1985 might have to meet a share of the recoupment sought by the Secretary of State. If even a few had to pay such sums it would in my judgment be unjust and unfair."

The words which I judge to be important are:

"even if a few had to pay such sums it would in my judgment be unjust and unfair."

Yet the Minister was not only prepared to ensure that a few people paid such sums in such an unfair way but he was prepared to countenance many people paying such sums. Those are the reasons why the two amendments and the new clause have been put down. There is here a clear case showing that one cannot trust Ministers, at every time and in every circumstance, to behave properly. Ministers must try to act fairly and justly. The Minister, for his own reasons, intended to recover money quite unfairly and quite unjustly. An element of retrospectivity was involved. It could even be called expropriation. The Minister was prepared to do that. The judge stopped him.

Now we have clause 3 which, in a different way, would restore these powers to the Minister. Is the House prepared to let the Minister get away with that so that he can act at will? I hope that the House will not allow him to do so. I hope that the Minister, as a reasonable man, will see some sense and say, "Yes, I shall have these powers, but I do not intend to use them unreasonably. I am prepared to think about putting a provision in the Bill—even if I cannot accept the new clause and the amendments—to show everyone that I cannot use these powers at will." Those important points should be borne in mind. I hope that the Minister will see the sense of them.

Mr. Whitney: Mr. Deputy Speaker——

Mr. Campbell-Savours: The Minister had fallen asleep.

Mr. Whitney: I was looking forward to further contributions from a number of supporters of the hon. Member for Wrexham (Dr. Marek), and I am surprised that they did not meet with favour. It was odd that during the 40 or so minutes during which the hon. Member for Wrexham spoke——

Mr. Corbyn: Fifty-five minutes.

Mr. Whitney: It seemed longer. It was odd that during the 55 minutes of the speech I managed to find one sentence with which the Government would be happy to agree—on the need to strike the right balance and be fair to the contracting professions and to the users of the NHS. The hon. Member for Wrexham seemed to have no concept of the fact that we are talking about taxpayers' money. We are talking about ensuring that that money, which is devoted in ever greater quantities by the Government—since 1979 an increase in real terms of 24 per cent.—to the benefit of the NHS, is used for the benefit of the Health Service and its customers. The hon. Gentleman seems instead to have enlisted on the side of the contracting professions and to have no interest in the proper use of Health Service funds.

We are committed to a fair deal for the contracting professions in the Health Service, and our record shows that. As the hon. Member for Wrexham said, following the 1978 inquiry the Government paid opticians £92 million. I should have thought that it would be difficult to find a more tangible demonstration of the Government's good faith.

The hon. Member for Wrexham inevitably had to recognise that we agreed not to use any new provisions to take into account the opticians' £11 million of what we would call "unintended" profits. The Government's record in determining that that remuneration is on a fair basis has been amply demonstrated. If we went down the road suggested by the hon. Member for Wrexham—no retrospection, and with only one determination being made—there would be a determination after a number of years, which would be retrospective. I cannot believe that the contracting professions would welcome that; nor would it be given a sensible welcome by most hon. Members. We seek a balance between the Government's conflicting duties—most sensible Governments would recognise that—to find a fair deal for the contractors and to find a fair deal for the NHS.

There was no mention of figures, but there was a new-found beneficence to private entrepreneurs. Of course, that is to be welcomed. It was suggested that the Opposition were opening up yet another bottomless pit of public funding, whether for the NHS or for elsewhere. Presumably we would have to add a little bit more to the £24 billion—to which the proposals of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) add up—for the half-undertakings offered by the hon. Member for Wrexham.

The new clause would add an unnecessary load of bureaucracy to the remuneration system of the contracting professions. There is a strong likelihood that, in practice, there will always be some contractor who does not favour a determination of remuneration for his profession. Therefore, it is likely that every determination would go to a panel as proposed in the new clause.

There is already an independent element in the consideration of remuneration for general medical and

[Mr. Whitney]

dental practitioners, which is provided by the Doctors and Dentists Review Body. There is also the Pharmacists Review Panel, which is available to advise on disagreements arising from negotiations on the pricing of the pharmacist's contract. I remind the House that the Government are fully committed to full negotiations and consultations with the contractor professions' representatives, as appropriate. Sooner or later, such a panel would undermine that negotiation process. For example, the Government and a particular profession might reach agreement on a determination, but an individual contractor might then refer it to the panel and, in turn, the panel might ask the Government to reconsider. What would the Government and the professions' representatives then do? The ensuing uncertainty would be in the interests of no one.

I submit that such a check on the determining authority's decision is clearly unnecessary. Although the remuneration systems of the contract professions are similar in principle, there are significant differences in their operation. This requires, in some cases, an element of flexibility and discretion, which is in the interests of the professions and of the taxpayer. That flexibility is the essence of the arrangements, which on the whole have worked well, and it seems to have escaped the hon. Member for Wrexham.

Amendment No. 46 would remove an important qualifying condition that must be satisfied when previous over or underpayments are corrected in a subsequent payment. The condition reflects the fact that initial payments are based on estimates. The actual figures become available later. This subsection means that corrections can be made only if later information reveals that the earlier estimates, and therefore the earlier payments, were incorrect. The parties may only behave as they would have behaved if later information had been available in the first place. In other words, only the numbers can be changed; the rules of the game cannot be. The removal of this subsection would take away an important safeguard and would appear to confer precisely those arbitrary powers that were feared by hon. Members in our Committee debates.

The same effect would be true of the proposals contained in amendment No. 49. It would remove another important qualifying condition when payments are being adjusted. The subsection gives the Secretary of State—the determining authority—power to take into account the position of new entrants to the service when payments are adjusted to take account of an overpayment in a previous year. This obviously means that remuneration will be lower than it would otherwise have been. This is perfectly fair and reasonable if the people who suffer the deduction have previously enjoyed the benefit of the overpayment. It may not be fair to those people who have joined the service so recently that they did not enjoy the benefit of the overpayment. If the inequity would be of any substance, the Secretary of State might want to make appropriate differential adjustments. This is an important safeguard which it would be most unwise to lose.

On the basis that the hon. Gentleman has failed to make out his case, to understand the system and the need to strike a balance, and to appreciate the need to ensure that the increasing amounts of taxpayers' money that are being devoted to the National Health Service are used properly and responsibly, I invite the House to reject the new clause and the amendments.

9 pm

Mr. Campbell-Savours: This matter has been brought to the attention of many hon. Members during the last few years. I have received correspondence from local contractors who have expressed concern about the way in which they feel that the Government are imposing their views upon them. If the Minister were to ask his departmental officials to find it, he would be told that correspondence has been received from me which puts their case and sets out to establish some rights on their behalf.

We examined this matter in the Public Accounts Committee during the 1984-85 parliamentary Session. The PAC's 23rd report is entitled "NHS Supplies and Pharmaceutical Price Regulations Scheme, Department of Health and Social Security." I draw to your attention, Mr. Deputy Speaker, the case put by the Pharmaceutical Services Negotiating Committee in a document marked "PAC 88". It contains correspondence of 25 February 1985 from Mr. A. J. Smith, the chief executive, who was writing on behalf of the PSNC. He said that the intention of writing was to set out a brief memorandum that he was copying to the National Audit Office. To some extent, the PAC shadows the National Audit Office, because under the National Audit Act 1983 the Comptroller and Auditor General is now an officer of the House of Commons. Correspondence was sent to him setting out the position.

In his letter of 25 February 1985 Mr. Smith said:

"You will see from the attached NHS remuneration balance sheets that the accrued underpayment on 31st December 1983 amounted to £24·36 million. This was corrected, to a certain extent, during the period ending 31st December 1984 but, even at this stage, there remained £11·95 million underpaid to retail pharmacists."

We are referring, therefore, not to a small amount of money, but to a substantial amount of money that was in contention and about which there has been argument between the Department and the contractors. My hon. Friend the Member for Wrexham (Dr. Marek) has dealt in great detail with the matter, in particular with the legal judgments that were delivered on another but related matter.

The letter continued:

"The forecast balance sheet for the period 1st January 1985 to 31st March 1985 shows a worsening situation with a forecast accrued underpayment, at 31 March 1985, amounting to £16·84 million."

That shows that the contractors were faced with an accelerating and developing problem. Mr. Smith continued:

"In the forecast balance sheet for the period 1st April 1985 to 31st March 1986, you will see that the forecast accrued underpayment by 31st March 1986 will amount to £45·9 million."

Again that was an escalating, increasing figure and it was obviously a matter of great concern to the contractors. The letter continued:

"We have, however, concluded an agreement with the Department which will increase 1985/86 remuneration to absorb the whole underpayment and leave a nil balance at 31 March 1986. When I wrote to the right hon. Robert Sheldon on 20th August 1984 I pointed out that on the publication of the Twenty-Ninth report there were certain unfortunate and sensational press comments alleging 'rich pickings'"—

—that is a very interesting term—

"for retail pharmacists by over-reimbursement of drug costs. No mention was made in the Report of the payment owed by the Department to pharmacists because of under-reimbursement of labour and overhead costs."

To what extent did the Government set out to ensure that the truth was known? Did the Department contact the press to put the record straight? Was a press release issued by the Department following this report about rich pickings? Was such a press release circulated to ensure that journalists were made aware of the more accurate picture of remuneration to pharmacists?

When a group of contractors who depend on the Department feel defamed, surely the Department has a responsibility to ensure that the pharmacists' reputation is fully protected. Perhaps the Minister would like to intervene to clarify the position, because I am sure that the contractors would wish to feel assured in case similar developments occur in future. They would like to know that they would be protected, because we have no information about what happened in the past.

Mr. Smith went on to say:

"With the current method of Inquiry, there is an inevitable gap between the date of Inquiry and the finalisation and agreement of the Inquiry results, and it is during this period that over and under-reimbursement occurs. It should be noted that in the Minutes of Evidence—"

that is the minutes of evidence of the Public Accounts Committee—

"dated Monday 20th February 1984, it is recorded that 'adjustments have in the past been made to compensate professions for underpayments, at least as often as they have been made to recover payments on behalf of the tax-payer'. I hope that the Public Accounts Committee will include in its deliberations and reports their concern at the magnitude of the underpayments to chemist contractors during recent years and confirm their support for the proposals by both the Department of Health and Social Security and the Pharmaceutical Services Negotiating Committee that annual negotiations are essential so that large imbalances between amounts due and paid in any year do not occur in future. In passing I should mention that one of the major reasons for the current imbalance is the Department's insistence on using Treasury norms for inflation rate forecasts when all the statistical evidence shows that the costs of providing the pharmaceutical service (particularly labour costs) are increasing to a higher rate."

Mr. Smith went on to talk about "Good business acumen." I am sure that that phrase commends itself well to the Government because they repeatedly tell us that they are committed to defending the interests of small businesses, the enterprise culture and the entrepreneurial society. Mr. Smith said:

"Good business acumen and excellent pharmaceutical wholesaler service have enabled pharmacists to achieve great savings in drug costs (currently of the order of 6 per cent.). The whole of this deduction is 'clawed-back' by the Department and currently saves £80 million per annum of tax-payer's money and the cumulative savings, so far, amount to in excess of £300 million for the years 1980-84."

In the words of Mr. A. J. Smith, the chief executive, we have an example of good business acumen and excellent pharmaceutical wholesaler service rewarding the taxpayer with again a windfall of £300 million for the years 1980 to 1984.

Mr. Smith went on to say:

"I am sure you will readily understand the Committee's concern that these efforts of retail pharmacists to reduce drug costs are then referred to as 'rich pickings' in the interim period between the base of the Inquiry and the finalisation and agreement of the Inquiry findings resulting in the clawback. The ongoing savings to the National Health Service are immense and require an equal degree of exposure to public scrutiny."

In his letter Mr. Smith is looking to the Department to ensure that this exposure takes place. I hope that the Minister will take this opportunity to assure the House that in every way every opportunity was used by the Department to ensure that the description "rich pickings", which was attributed to the pharmaceutical contractors, was corrected in favour of what Mr. Smith believes to be the substantial contribution that pharmaceutical contractors have made and the need to illustrate that in press releases and material from his Department.

Mr. Smith said:

"The ongoing savings to the National Health Service are immense and require an equal degree of exposure to public scrutiny. Fairness to both tax-payer and the pharmacist can be achieved by the introduction of a system of continuous monitoring of discounts obtained to which again I would hope that the Public Accounts Committee would lend its support. Business efficiency of pharmacist contractors should be recognised by a proportion of these savings being passed on to the pharmacy contractors"

basically, what is being said is, "If we save the taxpayer money we are equally entitled to get a share of that money"

"whereas under the present system"

this is referring to the system operated in 1985 by the DHSS

"the savings in drug costs accrue in totality to the Department of Health and Social Security."

In a written answer on 7 February the then Minister of State said that the Bill was designed

"to re-establish beyond doubt the Government's ability, challenged in court proceedings last autumn, to ensure that the remuneration and reimbursement arrangements for all NHS family practitioner services professional contractors are fair to the contractors themselves and to the taxpayer by allowing past overpayments or underpayments to be reflected in future fees."—[*Official Report*, 7 February 1986; Vol. 91, c. *289-90*.]

I think that my hon. Friend was referring—unfortunately, after the meeting of the Public Accounts Committee today and dinner this evening I came in to hear only the latter part of my hon. Friend's glittering speech, which we all found so riveting and interesting—to the court challenge referred to in the judgment of 16 October 1985.

Dr. Marek *indicated assent.*

Mr. Campbell-Savours: Clearly the contractors are not altogether satisfied, and my hon. Friend, in the new clause, is trying to introduce some adjudicating authority to arbitrate between what I might call—I am sure that my hon. Friend will correct me if I am wrong—the warring factions. There is certainly a warring Minister, in the sense that he is out to get them. That appears to me to be the intention behind the Government's position.

I hope that the Minister has taken on board the comments of Mr. A. J. Smith. I am sure that in writing to the Public Accounts Committee he felt that his words would be listened to, and they certainly were. Similarly, I hope that they were dealt with by the Government.

Mr. Maxton: I congratulate my hon. Friends the Members for Wrexham (Dr. Marek) and for Workington (Mr. Campbell-Savours) on their speeches. One of the Government Whips sitting opposite says, "Shortly". I think that he is implying that I should make a short speech. I have every intention of doing so, but the more that I am provoked the longer it is likely to get.

The Bill covers England and Wales and, I hasten to add, Scotland. I am speaking from the Dispatch Box

[Mr. Maxton]

because I am the Labour party's spokesman on health matters in Scotland. The Labour party has taken some interest in the NHS and in the Bill but the Scottish Office Minister with responsibility for health has taken no interest whatsoever. He did not reply to the Second Reading debate, nor serve on the Committee. He was here for about half an hour earlier this evening and it does not appear that he will reply to any debate, although he may just manage to come in to propose one small amendment about dairy companies later in our proceedings. I can assure him that it will be very much later on.

9.15 pm

Which is the determining authority for the prices paid to contractors in the NHS? Given the way in which the DHSS has dragged along the Scottish Office, it is fairly clear that the determining authority will be the DHSS, yet the people who supply services in Scotland are contracted to the Scottish Office. They will almost certainly not be exempt from any attempt to reclaim money. In Scotland the contracting employer will not be determining fees or whether some or all excess profits should be reclaimed.

That is an anomalous position. Labour Members — more than Conservative Members, though I am delighted to see that the hon. Member for Stirling (Mr. Forsyth) is present — believe that the sooner that we have a system of devolved government for Scotland that allows us to take our own decisions on these matters, the better it will be.

The Minister made great play of saving taxpayers' money and being fair to contractors. I note that the one part of the triangle that he did not mention was the patient. We are all keen to ensure that the Government do not overpay or underpay contractors, but it is hard for us to hear the Government say that they are concerned for the patient when we see what has happened on prescription charges, dental charges and the optical and ophthalmic services.

Equally, it comes hard to me, as the hon. Member for a Glasgow constituency, to hear the Minister talking about a 26 per cent. real terms increase in expenditure on the NHS when I know that the general manager of the Greater Glasgow health board has just made proposals to cut £20 million off the health services. Only three quarters of an hour ago there was a damning indictment in a television programme about the expenditure of that board in Lennox Castle hospital. The Minister should not talk to any Glasgow Member about the NHS receiving more money. There have been massive cuts.

Mr. Michael Forsyth (Stirling): Will the hon. Gentleman confirm that the Greater Glasgow health board is the best-funded health board in the country, receiving £420 per head?

Mr. Deputy Speaker: Order. I hope that the hon. Member for Glasgow, Cathcart (Mr. Maxton) will resist the temptation to move away from the new clause.

Mr. Maxton: I should love to indulge——

Mr. Campbell-Savours: Is my hon. Friend aware that the hon. Member for Stirling (Mr. Forsyth) has huge private health contracts? Yes, they are declared in the Register of Members' Interests, but they are vast contracts and it is suggested that a series of them with one organisation are worth £80,000 per annum. If that is inaccurate, perhaps the hon. Member for Stirling will deny it in the Chamber.

Mr. Forsyth: That is rubbish.

Mr. Deputy Speaker: Order. We must get back to the subject of the debate.

Mr. Maxton: I shall be brief. Of course I knew that. I am well aware of it. Indeed, the Government are vindictive about the Greater Glasgow health board because, despite the fact that it has a Conservative majority, it flatly refuses to privatise any services.

The Government have imposed massive charges on the patient, or user, of those services. Incidentally, I and no doubt many of my hon. Friends have reservations about the whole contractor system within the NHS. In future, we may well want to consider whether that is the best way of ensuring that such services are provided within the NHS. I should like to see much greater direct control of them by NHS management without any contracting out. But the Government believe in the contractor system. They, more than any other Government, have taken us down that road. It seems strange that a Government who want more privatisation and more use of contractors in the NHS can then apparently turn themselves on their heads and create a situation that is unfair within that very system. We argue not that the contractors are always right, and certainly not that the contractor system is the right way of operating, but that, given the system, it must be fair to all those who provide the service.

Under the Bill, the Government can determine a price to be paid to the contractor and in, say, eight years' time can decide that the profits were higher than reasonable. The Government can then reclaim those profits. The problem with that is that they will not always be reclaiming those profits from the contractor who provided the service.

When the idea was first mooted, chemist shopowners in my constituency wrote to me saying that when they bought their shops 18 months ago they also bought the goodwill. However, they did not buy the fact that under the terms set down by this Government, the last owner was paid what the Government considered to be excess profits. The Government are now apparently asking them to repay the money. There is nothing in the Bill to prevent that, and it is unfair.

The price is fixed, with the sole reservation that regard may be had to the number of years involved, and the Minister could say that what was charged was excessive, and that the Government would take back the money. The new clause is very reasonable. We say only that there should be negotiations. The Government should work out, in negotiation with the contractors, exactly what the price should be. Having determined that, they should stick to it. Of course, underpayments and overpayments may be made, but that may be taken into account in later negotiations. If we have an adjudicating body, the price should be right when that decision is taken. That is the point at which it should be done—not at a future date, on a retrospective basis, hitting people who may not have made any money from the deal. It is a grossly unfair clause and we must have a system that is properly negotiated.

The Minister said that negotiations took place. If so, why not build that into legislation? Many sections in Acts

state that negotiation should take place, and a similar provision should be included in the Bill. There is no reason why that should not happen.

If the Minister now said that the Government, in another place, would include a provision to allow for negotiation between themselves and the professional bodies, and for an adjudicating body to deal with the decision between them, we should be happy to withdraw our new clause. The Minister made great play of the fact that negotiating machinery existed, so why does he not include it in the legislation? Obviously, the Minister does not intend to respond, and so I urge my hon. Friends to vote for the new clause.

Question put, That the clause be read a Second time:

The House divided: Ayes 68, Noes 180.

Division No. 213] **[9.27 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Beckett, Mrs Margaret
Boyes, Roland
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Foster, Derek
Garrett, W. E.
Hardy, Peter
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Hoyle, Douglas
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Lamond, James
Lewis, Terence *(Worsley)*
Livsey, Richard
McGuire, Michael
McNamara, Kevin
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Patchett, Terry
Pike, Peter
Powell, Raymond *(Ogmore)*
Raynsford, Nick
Robertson, George
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Soley, Clive
Spearing, Nigel
Stott, Roger
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Wallace, James
Wilson, Gordon

Tellers for the Ayes:
Mr. James Hamilton and
Mr. Frank Haynes.

NOES

Alexander, Richard
Amess, David
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(Dorset N)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Budgen, Nick
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hicks, Robert
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howarth, Gerald *(Cannock)*
Hubbard-Miles, Peter
Hunter, Andrew
Jackson, Robert
Jones, Gwilym *(Cardiff N)*
Kellett-Bowman, Mrs Elaine
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McQuarrie, Albert
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Moate, Roger
Moore, Rt Hon John
Moynihan, Hon C.
Mudd, David
Nelson, Anthony
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Michael *(S Worcs)*
Squire, Robin
Stewart, Andrew *(Sherwood)*
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Twinn, Dr Ian
Waller, Gary
Watson, John
Wells, Bowen *(Hertford)*
Whitney, Raymond
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Tony Durant and
Mr. Peter Lloyd.

Question accordingly negatived.

Clause 1

APPLICATION OF FOOD LEGISLATION TO HEALTH AUTHORITIES AND HEALTH SERVICE PREMISES

Dr. Marek: I beg to move amendment No. 2, in page 1, line 9, after 'authority', insert

'or provided by a health authority for the use by health authority staff for residential or other purposes'.

Mr. Deputy Speaker: With this we may take amendment No. 3, in page 1, line 12, after 'the', insert 'user,'.

Dr. Marek: We are uncertain how clause 1 will be interpreted. At the moment, subsection (1)*(b)* reads:

"premises used by a health authority shall not be regarded as property of or property held on behalf of the Crown."

It is not entirely clear whether a nurses' home is property used by a health authority. It is used by health authority staff. I shall not read out the press stories which appeared under headlines such as:

"Cockroach photographs stun health conference."

"Unsavoury hospital kitchens bring calls for an end to legal immunity."

"Disease carrying pests are taking over hospitals, report says."

"Dirty hospitals to lose immunity."

"Hospital food poisoning report tells of appalling conditions."

According to the British Pest Control Association, the problem has been increasing. The Government have recognised that something must be done and have proposed legislation which will ensure that hospital kitchens and some other places used by health authorities will be subject to food legislation. If food is wheeled along dirty corridors, the food, although not the corridors, will be covered by food legislation. Other buildings owned by the health authority, or perhaps rented by the health authority, will not necessarily be covered by food legislation. It is clear that nurses' homes and places where doctors might live will also be subject to food legislation. I hope that the Minister will be able to accept the amendment.

Amendment No. 3 would alter clause 1 to make it read:

"The appropriate authority may by regulations — *(a)* provide who is to be treated as the user, occupier or owner of any such premises for any of those purposes".

I hope that the amendment is helpful. Some premises may be not occupied but owned by an authority or somebody else and used by the authority. That is why we think that the word "user" may help.

Nurses' homes are important, and food legislation should undoubtedly apply to them. We are sorry that the Government did not accept that food legislation and health and safety at work legislation should apply to them. Unfortunately, that question has been disposed of previously. It should be absolutely clear that food legislation should apply to such places.

9.45 pm

Mr. Hayhoe: Perhaps I can help the House by saying that the words in clause 1(1)*(b)*

"premises used by a health authority"

cover all the NHS estate and, therefore, include residential premises and premises described by the amendment as:

"provided by a health authority for the use by health authority staff for residential or other purposes."

I am legally advised that the words in the amendment are absolutely covered by those in the Bill.

Regarding amendment No.3, under the food legislation, which it is proposed should be applied to health authorities — that is what lifting Crown immunity will do — requirements are placed on owners and occupiers of premises, not on users. Therefore, it is neither appropriate nor necessary for the user to be designated in any regulations made under clause 1(2)*(b)*.

Those points properly raised by the hon. Member for Wrexham (Dr. Marek) are already covered by the words in the Bill as it stands, so there is no need for the amendments. If they are pressed, I urge the House to reject them.

Mr. Chris Smith (Islington, South and Finsbury): I am grateful for the Minister's comments, because I was worried on reading the Bill and considering the amendments.

Obviously, I bow to the Minister's superior legal advice. Nevertheless, I am extremely anxious that it must be crystal clear that all premises in the ownership and control of any health authority are covered by these measures. The wording had seemed to be ambiguous and I am grateful to the Minister for removing that ambiguity. I trust that what he said will apply when it comes to interpretation by the courts.

I urge my hon. Friend the Member for Wrexham (Dr. Marek) to seek to catch your eye again, Mr. Speaker, not simply to accept the Minister's comments, but to say that he will not press amendment No. 3. Although I have great respect for my hon. Friend, I have been worried about that amendment. It seems to give a considerable amount of discretion to the head of the appropriate authority in defining use and user, which was precisely the sort of discretion that the entire measure was designed to remove by ensuring that health and safety regulations apply to premises owned by health authorities.

There is a possibility that a loophole might be created if amendment No. 3 were to be pursued. However, I trust that, in the light of what the Minister said, that will not be the case and we can be absolutely certain that premises owned by a health authority and used for whatever purpose and by whoever, will be covered by the regulations established. We must be clear on that point, and I hope that that will happen. The impression that I have had from what the Minister has said — I shall read his words carefully in *Hansard* tomorrow — that the clarity is there and we can be certain of it.

Mr. Campbell-Savours: I cannot understand why we have had to wait so long for such a clear statement of intent. Over the past month, there have repeatedly been articles in newspapers and trade union journals setting out the great concern among the membership of trade unions. *[Interruption.]* Does the hon. Member for Gillingham (Mr. Couchman) wish to intervene? If he does not, perhaps he will contain his pleasure or wrath.

People have been misled, or the Minister is still being ambiguous. I am sponsored by the Confederation of Health Service Employees. I receive no money from the union. Although I am sponsored, all the money is paid to my constituency party and used for serving the community by funding surgeries and an office to which people come with their problems. I retain neither expenses nor any remuneration.

A few weeks ago, in the journal of the Confederation of Health Service Employees, a headline said:

"Minister's pledge on immunity was a sham."

Is this article correct? I would be grateful for the Minister's attention. I hope that he will listen to what I am saying when I make a statement on behalf of the union. I shall read him an article and ask him whether he has anything to qualify what is said. It says:

"Hospital buildings look set to stay on the health and safety danger list despite the Government's pledge to lift crown immunity. A new National Health Service Bill which is supposed to put promises into action will have no effect, a COHSE study revealed. The Bill applies only to hospital kitchens and even then, Minister,s would be left with full power to decide what parts of the law will apply in future. Worse still, fire prevention laws, the Health and Safety at Work Act and the Housing and Rent Acts will not apply to the NHS. COHSE general secretary David Williams described the Government's promise to act as a sham. It had been forced to make a concession because of trade union and public pressure, especially after the deaths at Stanley Royal Hospital, but was hoping no to drop its commitments. 'It looks,' he said, as though the Government want to do the minimum work possible. This still leaves hospitals above the law. David Williams said, 'If crown immunity cannot be justified for hospital food preparation, it cannot be justified for health and safety regulations. It makes little sense to remove the threat of food poisoning but leave patients and staff at risk from deadly dangerous substances like asbestos.' He then pledged COHSE would continue its campaign to persuade the Government to lift crown status in its entirety from health authorities."

From what the Minister is saying, I understand that we and the union have misunderstood the Government's intention. Does my hon. Friend the Member for Wrexham (Dr. Marek) agree with my interpretation of what has been said? I should like the Minister to put the record straight. I shall be referring his comments back to COHSE. I am sure that if the Minister makes it clear and unambiguous, in a way that would be helpful and comprehensible to Health Service workers, the journal would be eager to publish his comments to set the record straight.

Mr. Chris Smith: The Minister referred to the entire NHS estate. Does my hon. Friend agree that that means anything owned by a health authority?

Mr. Campbell-Savours: That is why my hon. Friend the Member for Wrexham (Dr. Marek), sounded aghast when he replied to the Minister. The Minister made an important statement tonight, although I am sure that these matters were dealt with at length in Committee, where the Minister must have been pressed at length.

Dr. Marek: I am slightly perplexed at what the Minister said. The possibilities are enormous. A health authority might hire or rent premises or have a mortgage. Will such premises be part of the NHS estate? I do not have a legal training so I am not sure. If the point must be made there can be no harm in accepting our proposition.

Mr. Campbell-Savours: I presume that the Minister was referring to premises for which the NHS has a responsibility in law, whether the property be freehold, on lease or rented. I assume that the provision is all-embracing and an undertaking to Health Service workers and to the House. The Minister, if he is clear in his response to the article, will achieve much.

Dr. Marek: I do not think that premises for which the NHS or a health authority is responsible are necessarily part of the Health Service estate. I find it difficult to rationalise what the Minister says and what my hon. Friend says.

Mr. Campbell-Savours: My hon. Friend has a subtle understanding of such matters and if anyone in the House were able to differentiate between the various facets of this argument my hon. Friend would be able to do so. I expect a similar subtlety and understanding from the Minister. I am sure that the Minister will wish to confirm that there is a distinction. I thought that he argued that there was no need to distinguish. The matter is all-embracing.

Mr. Peter Pike (Burnley): If the Bill is passed, it is its provisions that will be the law, not what the Minister says. The Minister spoke with clarity tonight, but his remarks are at variance with the Bill. If the Government think that our suggested words are not appropriate they should attempt to clarify the provision formally, as the Minister did.

Mr. Campbell-Savours: The Minister referred to having the best legal advice. I therefore presume that the Minister's statement meets fully every concern expressed by my hon. Friend the Member for Burnley (Mr. Pike). The Minister would not have given such a firm commitment at the Dispatch Box without having taken the best legal advice because otherwise he would be ridiculed. The Minister would not want that.

In the best sense of comradeship I ask the Minister, please, to reply to the article and to nail anything that he believes to be inaccurate so that Health Service employees are made fully aware of the Government's intentions.

10 pm

Mr. Harry Cohen (Leyton): The debate might be regarded, in a sense, as having been a little pedantic. The Minister said that all premises within a health authority's control should be covered by the Bill. There is great----

It being Ten o'clock, the debate stood adjourned.

Business of the House

Ordered,

That, at this day's sitting, the National Health Service (Amendment) Bill,the Motions relating to Procedure and the Ways and Means Motions in the name of Mr. Chancellor of the Exchequer may be proceeded with, though opposed, until any hour.—*[Mr. Lennox-Boyd.]*

National Health Service (Amendment) Bill

Question again proposed, That the amendment be made.

Mr. Cohen: There is concern that there could be ambiguity in the Bill. That is the reason why my hon. Friend the Member for Wrexham (Dr. Marek) put down an amendment. He sought to remove any ambiguity and to ensure that all health authority premises are properly covered under the legislation. It is important that there is no ambiguity. There are examples of the courts interpreting a measure in a way peculiar to themselves. The whole idea of the Bill is to ensure that health authorities cannot get away with having premises that are in such a bad condition that patients and staff are put at considerable risk.

My hon. Friend the Member for Wrexham referred to press reports about the abolition of Crown immunity and the necessity to ensure that premises are cleaned properly. My hon. Friend referred to an article entitled:

"Disease-carrying pests are 'taking over' hospitals, report says".

When I looked at the papers I had prepared for the debate, I found that I had that most interesting article in front of me. It stated:

[Mr. Cohen]

"Cockroaches, rats, mice and other disease-carrying pests are 'taking over' hospitals and putting patients' health and lives at risk, the British Pest Control Association said yesterday."

That was in September last year. The association made the case for more spending on pest control.

Mr. Corbyn: Is my hon. Friend aware that in a number of borough council areas, where rate-capping has been imposed, there has been a restriction on the number of pest control officers who can be employed by the relevant local authority? If such restrictions continue, there will be a risk to health, because the inspectors will not be available to find out where the pests are.

Mr. Cohen: That is a good point. That is one of the effects of the rate-capping penalties on local authorities. Great pressure has been placed on environmental health officers, who do an excellent job in my constituency. Local authorities are under great pressure because they are being squeezed by the Government's cuts. Very little money is spent on direct pest control. Despite the enormous problems, according to the British Pest Control Association, only £800,000 is spent on pest control. That must be regarded as inadequate.

In the same article, attention was drawn to a survey of 360 nurses conducted by *Nursing Mirror* last summer. That showed that 88 per cent. of the nurses surveyed had seen cockroaches in their hospitals, 53 per cent. had seen rats or dead mice, and 51 per cent. considered their hospital unclean. That is an atrocious comment on health authority premises and hospitals by those who work in them.

Mr. Nicholas Soames (Crawley): Does the hon. Gentleman agree that it is an appalling indictment of those who work in those kitchens that they allow them to be so disgraceful?

Mr. Cohen: I shall come to the reasons why conditions have worsened. The Government have had to be dragged screaming in to introduce provisions to remove Crown immunity. They came forward with this legislation only after the Stanley Royd disaster.

Mr. Corbyn: Is my hon. Friend aware that many NHS employees are angry about the cheap way in which many Conservative Members have treated the outcome of the Stanley Royd report? The problems in many hospitals have nothing to do with the workers employed in them but everything to do with expenditure cuts and inadequate management in the NHS. I know from personal experience that on many occasions catering workers in hospitals have pointed out the dangers to health caused by inadequate control and Crown immunity with respect to hospital kitchens. Does my hon. Friend agree that the Government should address themselves to the need for the strictest control on all pests in hospitals and for an examination of management structures to ensure that patients and workers do not suffer from or are not held responsible for the existence of pests in hospitals?

Mr. Cohen: That is an excellent point and a direct answer to the intervention by the hon. Member for Crawley (Mr. Soames). I thought at one stage that my hon. Friend the Member for Islington, North (Mr. Corbyn) was trying to steal the rest of my speech, but I think that I shall get by.

I was referring to the survey of nurses who had seen the grossly unsatisfactory conditions in their hospitals as a danger to them and their patients. That is why it is vital to remove any ambiguity in the Bill, and why the amendment is right.

There has been an important victory in the wake of the Stanley Royd disaster and the pressure by my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley), who introduced a Bill to remove Crown immunity. The Government have responded to the pressure.

Mr. Bob Clay (Sunderland, North): Have they?

Mr. Cohen: That is right. The purpose of the amendment is to ensure that they keep to their word.

It is a matter not just of removing Crown immunity but of providing resources to increase standards of cleanliness in hospitals. Wholesale privatisation of cleansing and catering services in the NHS is making conditions worse. Less cleaning is being done and standards have been lowered because of privatisation.

Dr. Marek: My hon. Friend has made a valid point. Even if the amendment does not succeed and the Minister is right about there being no doubt and nurses' homes being subject to food legislation, substantial extra expenditure will be needed. No doubt my hon. Friend the Member for Leyton (Mr. Cohen) has read the preamble, which, under the heading "Financial Effect", states:

"*Clause 1* has no implications for public expenditure."

I cannot understand how the Government can square that with lifting Crown immunity, albeit only with respect to food legislation.

Mr. Cohen: My hon. Friend has,as always, made a telling point.

To remove Crown immunity would be only a token. If an individual or union takes a health authority to court and the health authority has to pay damages, those damages will have to be paid for out of its existing budget. That can only mean cuts in the health services that are provided. The Government are blind if they believe that there will be no expenditure implications. The hospitals will remain dirty and in a bad condition unless the Government provide health authorities with resources to get on with the job.

My hon. Friend was right when he said that it is a question not only of resources but of management in the health authorities. The introduction of business-style management has led to chaos in recent weeks. I have spoken to local trade unions about conditions in my local hospital. They are very worried about the standard of management. More and more assistant managers are being appointed, at high salaries, but those who have to provide the catering in hospitals and keep them clean are suffering immensely from the cuts in the number of hours that they work and in the number of jobs. The result is that their morale is very low and that standards have deteriorated.

As for the implications of the Health and Safety at Work etc. Act 1974, NUPE has already condemned the Bill's provisions as not going anywhere near far enough. It says that the removal of Crown immunity should be extended to premises covered by the Health and Safety at Work etc. Act and that sufficient resources should be

made available to the National Health Service to meet the new burdens that have been imposed by the 1974 Act and by the laws relating to food hygiene.

NUPE makes the telling point that in the past the Government have always expected health authorities to provide resources for health and safety from within their existing budgets and that no extra resources have been provided to help the NHS to meet its obligations under the Health and Safety at Work etc. Act. That must be wrong. If this Bill is to mean anything, we must remove any ambiguity in the wording and ensure that it covers all premises. The Government must accept the resource implications and provide money for the health authorities so that they can get on with the job and ensure that all health authority premises, in the interests of both patients and staff, are completely clean.

Mrs. Clwyd: My hon. Friend the Member for Wrexham (Dr. Marek) asked the Minister about the financial effects of lifting Crown immunity. It cannot be true that clause 1 has no public expenditure implications. If the Minister is serious about what he said, there are expenditure implications for the Health and Safety Executive. If the health and safety inspectors are to investigate the conditions in hospitals and other National Health Service premises, there must be an increase in the staff of the Health and Safety Inspectorate.

When we debated the Gas Bill we found that there were financial implications because the required increase in the number of Health and Safety Inspectorate staff. Earlier I made the point that since 1979, when the Government came to power, there has been a 15 per cent. decrease in the Health and Safety Inspectorate. Over the same period its staff has fallen by 13 per cent. The gas privatisation Bill alone will place a considerable extra strain on the depleted staff of the Health and Safety Executive, and now the executive is to be given additional burdens. We agree with those burdens being placed on the executive, but they have implications for public spending, because in order to meet its commitments the inspectorate must have extra inspectors.

10.15 pm

It is interesting to look at the issue of Crown notices, because the statistics that are available show the reluctance of the inspectors to issue Crown notices without legal backing. In 1978 no Crown improvement notices were issued, and only three Crown prohibition notices were issued. In 1979, 12 Crown improvement notices and four Crown prohibition notices were issued. In 1980 the ratio was 24 to five; in 1981 it was 93 to 6; in 1982 it was 79 to 15; and in 1983 it was 38 to 10. Those figures were given in answer to a parliamentary question put down by one of my hon. Friends.

It is not a straightforward matter to draw comparisons between different industries, but it is difficult to believe that the health services are so safe that only 43 Crown prohibition notices were needed in six years. Many more notices were issued to private industry during the same period. That must say something about the strength of the inspectorate, because in 1978 industry was issued with 12,217 improvement notices and 3,434 prohibition notices. In 1979, 13,517 improvement notices and 3,674 prohibition notices were issued. In the last year for which figures are available for private industry, there were 12,784 improvement notices and 3,221 prohibition notices.

The inspectors are unable to police factories sufficiently and will not be able to do anything about National Health Service premises without a considerable increase in staff. I hope the Minister will tell us how much he expects the staff of the Health and Safety Executive and the inspectorate to increase. In February the Secretary of State for Energy told us in the Committee on the Gas Bill that there would have to be an increase in staff in the Health and Safety Executive and the inspectorate to deal with gas privatisation. He was unable to tell us how many extra people would be needed. That increase will involve public expenditure, and I should like the Minister to tell us how he expects Crown immunity to be lifted on NHS premises without implications for public spending. It is clearly nonsense to say that there are no such implications. I hope that he will answer that question, because unless the staff of the Health and Safety Executive and the inspectorate are increased, the promises that he has made will be null and void and worthless.

Mr. Corbyn: I should first declare an interest, in that I am sponsored in the House by the National Union of Public Employees, which has a substantial membership of well over 250,000 people employed within the NHS. The way that Crown immunity has applied to the detriment of the interests of our members who work in NHS premises, particularly in the catering departments, has been a matter of great concern to the union.

I am one of the Members of the House who have spent a great deal of time visiting hospital kitchens over the past years when I have been involved in disputes that kitchen employees have had, and I have often been in deep discussions with them about the standards of management, hygiene and cleanliness that apply in NHS kitchens. Within those places there is a wealth of manual workers' experience which has often come from outside the NHS. They are people who have been employed in the hotel and catering trade and in educational establishments, and they are well accustomed to the operation of the food hygiene regulations. They are often appalled at what they find in NHS catering establishments. I have seen cockroaches, mice, rats and all manner of things running around in NHS hospital kitchens.

What is incredible is that it has taken until now for the Government to do something about it. They could have done something about it in the past. Merely altering the regulations about Crown immunity does not of necessity solve the problem, as my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) adequately pointed out. She said that we need costings from the Government to show how they will fund that change, and that is important. Even if Crown immunity is lifted completely tomorrow, which the Bill does not do, the problem will not be solved. The environmental health departments of all the local authorities are already inadequately staffed and unable to meet the demands upon them of inspecting dangerous structures and dirty kitchens in restaurants and workplaces. If they are now to be asked, as they must be, to inspect all the hospitals concerned, they will need the resources to do it.

When the Minister finally comes to reply to this important debate, I hope that he will tell us what discussions he has had with the Secretary of State for the Environment about ensuring that in the forthcoming year

[Mr. Corbyn]

the rate support grant settlement takes account of the needs of local authorities for the new responsibilities that will be thrust upon them.

Mr. Campbell-Savours: And the Treasury.

Mr. Corbyn: The Treasury, too, as my hon. Friend points out, which will have to fund these things. The Government do not seem to have begun to think about the problems that they are about to meet.

Mr. Chris Smith: Does my hon. Friend agree that it is not simply the rate support grant settlement that matters, but the way in which the grant-related expenditure assessments are calculated, the way in which targets and penalties are operated, and the way in which rate limits are calculated for those authorities which are subject to limitations under the Rates Act 1984? It is the entire paraphernalia of the control of local government expenditure which the Government have introduced, which operates in such a malign way on the services which are provided by local government, which matters.

Mr. Corbyn: My hon. Friend is correct. As he and I represent the same borough, we are both faced with the terrible problem of the way in which our inner urban area has been treated by the Government. All that we can look forward to in the next 10 years is a 15 per cent. cut in real terms in health expenditure in the borough of Islington. The same applies in inner city areas all over the country. At the same time, local authority finance is being cut so that they are unable even to provide the social services back-up. My hon. Friend was right to point out that what we are speaking of this evening is part of a wider issue. The two amendments that we are discussing say that we should insert:

"provided by a health authority for the use by health authority staff for residential or other purposes".

That is an important addition.

There is an enormous loophole. I do not know whether the Minister is aware of the organisation of NHS premises, but it seems to me that if our amendments are not passed and a hospital catering department is based, not within the hospital building but in nearby premises, is might not be covered by the Bill. I should be grateful if the Minister would say whether my view is correct. I have dealt with the NHS for a long time, and I know that it is good at finding loopholes.

Amendment No. 3, which would insert the word "user", is particularly important. I am not sure how the Bill will affect the use of buildings by private contractors after the privatisation of NHS catering departments. I should be happy if the Minister would assure us that there will be no more privatisation of catering departments, but will he at least give us an assurance that private contractors will not be able to evade the regulations by privatising a catering department or sub-letting it to third contractor?

I read in the papers today that one health authority is to consider allowing an American company to come here and build and run a hospital for the authority. I want to make sure that that company will be made to abide by the strictest possible regulations on food hygiene and kindred matters.

It is important to consider the background of the problems that hospital kitchens have faced for a long time. Many hon. Members have referred to conditions in hospital kitchens and the presence of pests, and I have witnessed many of the problems at first hand. *The Guardian Summary* of 27 August last year reported the results of a survey into NHS facilities. It said:

"Health service hospitals where dirty kitchens and infestations of cockroaches, rats and mice were commonplace should lose their immunity to prosecution, according to the vast majority of nurses taking part in a survey. More than 93 per cent. responding to a *Nursing Mirror* survey believe that Crown immunity, which prevents an NHS hospital being taken to court should be removed."

Those nurses have an enormous commitment to the NHS. The article says that the survey made clear

"the scale and the range of health and safety hazards which exist in hospitals. More than half the 360 nurses questioned believed that their hospitals were not clean. 53 per cent. had seen rats and mice, including 96 nurses reporting sightings in the wards. 36 had seen vermin in the kitchens. More than 88 per cent. had spotted cockroaches or other pests, mainly in wards, kitchens, bathrooms and corridors."

The article goes on to describe what is happening in our hospitals. There is a clear and urgent need to end Crown immunity.

As my hon. Friend the Member for Workington (Mr. Campbell-Savours) said when he quoted from a speech by the general secretary of COHSE, the Bill does not solve the problem. It is supposed to end Crown immunity and ensure that NHS hospitals will be safe places, but it applies only to hospital kitchens, and even then Ministers will be left with full powers to decide which parts of the law will apply in future. Worse still, other health and safety legislation, such as the fire prevention laws, the Health and Safety at Work, etc. Act 1974 and Housing and Rent Acts will still not apply to the NHS.

We have a mess before us. There are loopholes affecting food and hygiene legislation and the Health and Safety at Work, etc. Act. A number of disasters have occurred in NHS hospitals. The worst was the Stanley Royd disaster, but many others like it could happen again, because the legislation does not solve the problem.

10.30 pm

Mr. Tony Banks (Newham, North-West): It is not the removal of Crown immunity that will clean up the kitchens. Surely the kitchens will be cleaned up if kitchen staff are given the resources with which to provide an adequate service. My hon. Friend would like to stress that point, would he not?

Mr. Corbyn: Indeed, my hon. Friend is correct. As has been pointed out, it is no good passing regulations unless people are empowered to carry them out. Anyone who experienced the long-lost, unlamented operation of the Factories Acts prior to the introduction of the Health and Safety at Work, etc. Act 1974 would know that they were nothing more than a joke. I have direct experience of that. If a shop steward in a factory told the management that some machinery was dangerous and that he was going to call in the factory inspector, there would be a hollow laugh. People would know when the factory inspector was coming, because the yellow lines would be neatly painted in the factory and extra cases of wine would be imported. The problems were not solved. There should have been people who were empowered to go into factories on a day-to-day basis to do something about the dangers of the Factories Acts.

A Labour Government introduced the Health and Safety at Work etc. Act, which made an enormous

improvement, but unless there is back- up, and unless there is an inspectorate to deal with transgressions of the regulations and the staff in hospitals to deal with unhygienic kitchens, the problems will remain. The Government think that they have solved the problems. They think that they were getting a lot of bad publicity because of the existence of Crown immunity. However, in reality they have done nothing to solve those problems, and they will remain with us for a long time.

I hope that the Minister understands the point and that he will go tonight to one of any number of hospitals in London——

Mr. Ron Davies (Caerphilly): Tonight?

Mr. Corbyn: Well, perhaps not tonight. The Minister may be detained in the Chamber a little longer than that, but there is no reason why he should not pop along in the morning, just as staff have finished cooking breakfast in the hospitals, and have a good look at what is going on in those kitchens.

People should not be shocked, but unfortunately they are, because they do not know the facts, and automatically believe that hospital kitchens are safe places. Workers in the NHS and ancillary staff employed in hospital catering departments feel very passionately about this subject. They feel that the media have misused the issue and cast a slur on their desire to ensure that patients are treated properly and that the food is cooked hygienically. They have often protested about management's lack of attention to such matters and about the lack of resources. They see the abolition of Crown immunity as one step towards providing patients with the standard of catering that they deserve.

That is why those people are worried about the numerous loopholes in the legislation. I would be far happier if, instead of discussing the limited abolition of Crown immunity on some NHS premises, we were discussing the abolition of Crown immunity altogether. It is anachronistic that in a supposedly democratic country the Crown can declare whole areas, including the House, immune from certain laws. The only immunity that we should retain is the right of hon. Members to speak freely in the Chamber without fear of being prosecuted for what they say.

Mr. Maxton: That immunity has nothing to do with Crown immunity. It is a privilege won by Members of Parliament that has nothing to do with the Crown.

Mr. Corbyn: That privilege was gained against the wishes of the Crown. Immunity from the law is bequeathed by the Crown, in the interest of the Crown. That is why we should be debating wider issues.

Be that as it may, and I do not wish to be dragged away from the subject before us, I hope that the House will understand the strong feelings about this issue and accept the Opposition amendments. They are important amendments, but they do not solve the problem. The Government have not come clean on this matter. Either they do not understand the issue of hygiene in NHS hospitals, or they are trying to con the public into believing that once the Bill has been passed all the problems of hygiene will be solved. I assure the House that they will not, and it will take a Labour Government to introduce proper NHS legislation that will end this ridiculous anachronism whereby NHS property can adopt inferior standards to those that apply to properties owned by local government or private concerns.

It is most important that the House agrees to these amendments this evening. It is also important that the House realises that the Bill is limited in nature.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): I shall make a brief contribution — *[Interruption.]* It is all very well for Opposition Members to jeer, but I wonder how many of them have spent two years in hospital as I have. During that time I did not catch any bugs or diseases from the kitchens. Opposition Members do a great disservice to the thousands of people throughout the United Kingdom who work in hospital kitchens. Only a few let the side down, while thousands do a good, dedicated job.

The most annoying part of Opposition speeches was the suggestion yet again that by shoving money into certain areas the problems would be solved. It does not cost money to be clean, to put the lid on the soup, to pick up droppings in the kitchen or to put the lid on the dustbin outside so as not to attract vermin. Why should we always put in resources——

Mr. Maxton: The hon. Gentleman is putting words into the mouths of Opposition Members that are not correct. We fully support those who work in the cleaning and other areas of the NHS. Indeed, we condemn this Government for ensuring that they are the lowest paid workers in the country. Many of those hard-working conscientious people have to work in appalling conditions, where the kitchens are insanitary because of the state of the equipment in them. It is nothing to do with the work force.

Mr. Dickens: The hon. Gentleman appears to be suggesting that if I visited a private or council house and found the kitchen dirty, shovelling in money would somehow make it sparkling clean.

Although the hon. Gentleman has clearly stated that the Opposition support those who work in hospital kitchens, I heard Opposition Members condemning what was happening in kitchens. One hon. Gentleman claimed that he had visited many hospitals — and I have no reason to disbelieve that — and said that he had seen vermin and cockroaches. I suggest that such instances are, thank goodness, fairly isolated. Opposition Members have done a great disservice to those who work in NHS kitchens and they should be ashamed of themselves.

Mr. Corbyn: This is an important and serious issue and it seems that the hon. Gentleman has not understood exactly what we have been trying to say. No Opposition Member has condemned NHS kitchen workers or the conditions that they maintain within them. The hon. Gentleman should realise that the design of a modern hospital often provides perfect breeding grounds for mice and cockroaches, for example, within the central heating system. It is not the kitchen staff's responsibility to clean the central heating system. It is the management's responsibility to ensure that cockroaches are not breeding in it. It is the local authority's responsibility to ensure, through the environmental health service, that the source of the vermin is removed. Members of kitchen staff often say to me, "It is not good enough to put the lid on the saucepan to keep out the mice if the mice are in the larder in the first place."

Mr. Dickens: Is the hon. Gentleman suggesting that maintenance workers should keep the central heating system clean? That is what we are arguing about. Nothing will be gained by throwing ratepayers' money into a bottomless pit. Money does not solve every problem, and every hon. Member knows that without me having to remind him.

It has been said that more resources will be needed for local government so that hospitals can be inspected. How are shops, restaurants and public houses inspected? They are subject to spot checks or random visits. That same system would apply to the hospital service. Every now and again spot checks would be made and that would keep the entire service on its toes. If there were defects in the kitchen and these had to be put right, funds would be found from the hospital's maintenance budget, as it would for other maintenance work throughout the hospital service.

It is easy to criticise the Government for not responding to the cry for more resources on every occasion when in many instances the answer lies in maintaining higher standards of hygiene and employing good management techniques, which would not involve spending a ha'penny more.

Mr. Corbyn *rose*——

Mr. Dickens: I have finished.

Mr. Ron Davies: The contribution of the hon. Member for Littleborough and Saddleworth (Mr. Dickens) was a disgrace to himself and the interests that he pretends to represent. It demonstrated all the prejudice, malice and ignorance that characterises the Government and Conservative Back Benchers, who support them.

I ask the hon. Member for Littleborough and Saddlesworth two questions. He was quick on his feet to tell us that he had spent two years in hospital, but he did not tell us what treatment he was receiving. He did not tell us either whether he was in a National Health Service hospital. I invite the hon. Gentleman in a moment to answer those questions. It is obvious that the hon. Gentleman is now deep in thought pondering his answer to me.

If the hon. Gentleman is so complacent about the standards that apply in the NHS and so satisfied that all that is needed in the NHS is a little extra bit of spit and polish and some more sweat from the brows of NHS workers, why is he voting in support of the Government this evening? I invite the hon. Gentleman to answer my questions before I move on to other matters.

Mr. Dickens: I spent two years in Edgware general hospital, which was then called Redhill hospital, with infantile paralysis, which is now called poliomyelitis. It was an NHS hospital and it was spotless, I must tell you, because care was taken. You know that care does not cost money.

Mr. Davies: I hesitate to intervene in the personal dialogue between the hon. Gentleman and yourself, Mr. Deputy Speaker. Perhaps the hon. Gentleman will give us the whole of his medical history and tell us on how many occasions he has been in hospital over the past 10 or 15 years and how often he has been in NHS hospitals. No doubt he will tell us whether he is a subscriber to——

Mr. Deputy Speaker: Order. I hope that the hon. Member for Caerphilly (Mr. Davies) will not tempt the hon. Member for Littleborough and Saddleworth (Mr. Dickens) to go out of order, as he is doing.

Mr. Davies: I do not wish to be distracted by the hon. Gentleman, Mr. Deputy Speaker, and I accept your stricture. I shall return to the amendments.

10.45 pm

I should like to address myself to two points. First, when the Minister replied to the opening speech by my hon. Friend the Member for Wrexham (Dr. Marek), he said that the provision would apply to the entire National Health Service estate. *[Interruption.]* I realise that Ministers are possessed of many talents, but I have yet to meet one who is capable of replying to a debate to which he has paid no attention. It may be of interest to the House to know that throughout the debate, the Minister has paid no attention to any of the comments of or questions asked by my hon. Friends, and is now busy chatting to one of the Government Whips. Presumably he has no interest in the debate, and has little intention of listening to any of the questions. I am glad to see that he has now put his head back in his file. Presumably the House now has his attention.

During the opening part of his speech, the Minister referred to the entire NHS estate. I am trying to work out exactly what that means. First, let us assume that we have an NHS hospital, which, under the direction of the Government, is in the process of privatising some or all of its services. Let us assume that during the process of privatisation, the area health authority decides that it is appropriate to set aside part of the NHS premises for use by a private contractor. At what point during the time scale, from when the hospital is under NHS management to when it ultimately becomes part of the private sector, will the provisions cease to apply?

Secondly, let us assume that the area health authority, or hospital management, sublets premises—the laundry, which was formerly part of the NHs hospital, or the kitchen, which has equally far-reaching implications—to a private interest, a private contractor. The Minister referred to the entire NHS estate. Does he agree that when part of an NHS hospital is privatised, the provisions will no longer apply? It is a specific point. I hope that the Minister will address it when he replies.

A further point impinges on the ruling of Mr. Speaker. I do not wish to challenge it, but I seek clarification. I am not sure whether the clarification should come from you, Mr. Deputy Speaker, or from my hon. Friend the Member for Wrexham. We are dealing with two amendments, Nos. 2 and 3. I want to work out, either with your assistance, Mr. Deputy Speaker, or that of my hon. Friend, the essential difference between those two amendments.

As I understand it, amendment No. 2 is specific. It provides for the insertion in line 9, page 1, after "authority", of the words:

"or provided by a health authority for the use by health authority staff for residential or other purposes."

I think that all of us can understand the wording of that amendment. It could mean a residential hospital or teaching block, or any other premises provided by the health authority for use by its staff. That is clear and specific. It refers to staff employed by the NHS in services directly involved with or ancillary to the hospital. Nevertheless, they are employees of the NHS.

Amendment No. 3 is different. It requires the insertion in line 12 of the word "user" after the word "the". A user does not necessarily have to be an employee or someone who is directly involved with the services provided by the hospital. It does not have to be someone who is employed by the hospital, either directly in medical care, in ancillary work, or in any other service provided by the hospital. It might be someone whose work is related and who might come into conflict with the health authority. I think, for example, of community health councils.

When the community health council in my area was established it used premises provided by the area health authority. The office was established by the Secretary of State for Wales, and it was deemed appropriate for area health authority premises to be made available for use by the secretary of the community health council. In no circumstances could premises which, as amendment No. 2 suggests, are

"provided by a health authority for the use by health authority staff"

be deemed to include users such as community health councils.

Mr. Chris Smith: I have followed by my hon. Friend's argument with considerable care. He will be aware that I have expressed some reservations about amendment No. 3. My hon. Friend has, to some extent, changed my mind, however. Does he agree that he is identifying the possibility that the discretion given by amendment No. 3 could enable a health authority to expand the definition of user? I was anxious that it might exclude some users, but my hon. Friend has said that it might be used to include extra users and that it might therefore be useful.

Mr. Davies: That is an important point and emphasises the importance of getting the legislation right. It is all very well for the Government to say that the intention is quite clear, but it is a matter for interpretation by the judiciary and it is our constituents—not those of Conservative Members, who opt out of the NHS and into private health care—who will suffer.

My hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) said that he has reservations about amendment No. 3. He is right. We do not know what it could do. I am inclined to support it because it will empower the Minister to include users who might otherwise be excluded.

Mr. Corbyn: My hon. Friend has touched on an important matter. The Government seem increasingly to introduce permissive legislation which gives Ministers enormous rein on where regulations should apply. Does he agree that it would be much better to have something clear which proviced that there was to be no Crown immunity in any NHS property of any sort, rather than this mishmash of half-baked ideas?

Mr. Davies: I welcome my hon. Friend's comments. As a matter of principle, I agree with him. Abolition of Crown immunity would be the end of the problem. In the absence of abolition, if the Government want to introduce permissive legislation, I am prepared to welcome it, provided that I am satisfied that the Government are well motivated. That is the problem, and in these circumstances I am not satisfied that the Government are well motivated. I suspect that, rather than using the discretion available to extend the powers, they will use it to restrict the provisions.

My hon. Friend the Member for Islington, North (Mr. Corbyn) spoke of his reservations. As I understand it, at the end of the debate we shall not be offered the opportunity to vote on amendment No. 2 because Mr. Speaker, in his wisdom, has decided that amendment No. 3 will be taken with it. I do not wish to challenge that ruling and, indeed, it would be wrong to do so, but that decision puts some of my hon. Friends in an invidious position. While I accept the logic of it and appreciate that the amendments have been put together, some of my hon. Friends will be more than happy to support amendment No. 2 but would have reservations about supporting amendment No. 3.

During the rest of the debate could you, Mr. Deputy Speaker, ponder the wisdom of putting amendments Nos. 2 and 3 together? I wonder whether my hon. Friend the Member for Wrexham will consider whether it is to the advantage of the House to take them separately. Even on the Government side there may be some hon. Members who are prepared to support either amendment No. 2 or amendment No. 3 but who would not necessarily agree that both amendments can be disposed of on the same vote. I await with interest your ruling on that.

I look forward to hearing whether my hon. Friend supports my contention that the two amendments offer the House something different and that there is a strong case for voting separately on them.

Mr. Deputy Speaker: We are debating amendments Nos. 2 and 3 together, and clearly that cannot be altered as we are well into the debate. However, I shall consider the possibility of a separate Division on amendment No. 3 when the House has reached a conclusion on amendment No. 2, and give my decision in due course.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. Further to that advice, I hope you will be aware that many hon. Members would be grateful if you could allow a separate vote on these two amendments.

Mr. Deputy Speaker: I have said that I shall consider that. When we come to a decision on amendment No. 2 I shall consider the possibility of allowing a separate Division on amendment No. 3.

Mr. Clay: This has been a most interesting debate on an extremely important matter. However, I am becoming confused and worried that something fishy is going on.

Some time ago the Minister gave what in my innocence, appeared to be a clear statement which seemed to meet what the Opposition are seeking to achieve through amendment No. 2. Since then some of my hon. Friends have spoken, including my hon. Friend the Member for Workington (Mr. Campbell-Savours) who read out some criticisms made by the COHSE journal. He asked the Minister to say whether those criticisms were misinformed because he was sure that COHSE members would be delighted to receive that information because the matter would be cleared up.

My hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) said that he welcomed the Minister's assurances, but wanted to be clear that there was no room for doubt. Many Labour Members have made similar remarks. I know that my hon. Friends are anxious to make progress on the Bill. Other important matters need to be discussed. I assume that the Government do not want to be here all night discussing the amendment.

11 pm

I started to ask myself why, when all that the Minister has to do is to repeat his clear assurance and say that all the doubts that we are expressing are because we have misunderstood the matter, this has not happened. A simple way to proceed would be for the Minister to say that the Government will accept the amendment. That would be the end of the matter.

Mr. Chris Smith: Does my hon. Friend agree that, even if the Minister is not prepared to take the sensible course of accepting the amendment, he could make clear what he means by "the entire NHS estate"? Does he mean everything that is owned, rented or in the control of the NHS or any health authority, or does he mean something different? An answer would clarify the matter once and for all.

Mr. Clay: That is a good point.

Mr. Ron Davies: For the past two and a half hours, there has been no representative of either the Liberal party or the SDP present in the Chamber. Is my hon. Friend trying to put a new mantle around his shoulders—that of being the representative of moderate consensus politics?

Mr. Clay: I am trying to be the representative of decent common sense. That has not been shown by either side of the so-called alliance. No doubt it is because we have been having a common sense discussion tonight that no alliance representatives have been around.

A number of specific points have been raised and questions put that the Minister could have clarified. For example, what did he mean by "the entire NHS estate"? Hon. Members have asked whether this includes NHS property that has been leased to a private contractor. There has been no Government response.

Mr. Corbyn: Would my hon. Friend care to reflect on the fact that unless the Minister is prepared to be clear on this subject, the NHS administration, if it were so minded, could get away from the so-called removal of Crown immunity by leasing the property to a private company to do the work for it, and then buying that product—for example, catering? That could lead to a serious infringement of the will of Parliament.

Mr. Clay: My hon. Friend has identified an extremely sinister possibility. That is why it is all the more important that we have an absolute and unequivocal assurance from the Minister to clarify what he said earlier.

We are all anxious to make progress. The longer this goes on, with the Minister refusing to clarify his interesting remark, which came as a great surprise no doubt not only to Labour Members but to NHS workers and everybody else interested in the matter, the more confusing the matter will become. For a few minutes, my hon. Friends wondered whether we had made a great step forward and scored a small victory. Is this a major concession? As time goes on I worry more and more about what the Minister said. He said that he was acting on the best legal advice and that the Bill covered our suggestion in the amendment. I do not know what his best legal advice was. Perhaps it was the same legal advice as was given to the Secretary of State when he tried to introduce regulations for board and lodging allowance. DHSS Ministers have fallen on the wrong side of the courts more than once. One must assume that Ministers act only after having taken legal advice.

Mr. Ron Davies: The Minister certainly cannot have sought the Solicitor-General's advice. If he had, it would have been leaked by letter.

Mr. Clay: How does one follow that?

I wonder about legal advice. What about the legal advice given to the Secretary of State for Transport on legislation that he has tried to introduce? He has been through the courts more times since the general election than all Opposition Members put together. That is going some.

We must ask what the Minister means by saying that he has had the best legal advice. What he says from the Dispatch Box is no protection for anyone who finds that that best legal advice is wrong. If the Minister makes a fool of himself, that will be of little comfort to the person who finds that the best legal advice does not achieve the objectives of our amendment. We are so used to Ministers making fools of themselves that, when they do, it is of little public interest.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): My hon. Friend says that the Minister was saying, hypothetically, that on the basis of legal advice we might be about to take a great step forward. Then he paused and rethought and said that, hypothetically, on the basis of the Minister's legal advice, we might be experiencing a small but significant victory. Can my hon. Friend tell me, hypothetically, what is the difference between a great step forward and a small but significant victory?

Mr. Clay: I have no legal training, and that was a legalistic question. If I were to stray into that fascinating semantic issue, I might incur the Chair's displeasure. It is not for me to divine such matters or to work out exactly what the Minister was trying to tell us. The Minister should answer all worries expressed by my hon. Friends since he made that interesting statement.

Mr. Cohen: One thing that the Minister did not say was that he had taken the best legal advice about the amendment. If he had asked his legal experts about the amendment, they might have said that it was more watertight than the provision in the Bill.

Mr. Clay: That is an extremely useful suggestion which, even at this late stage, the Minister could take up. It might save a lot of time and serve the purpose that the Minister is trying to achieve if he were to accept the amendment. I hope that the Minister will do so. It would enable us to make progress.

As one who must take into account pessimistic possibilities, bearing in mind the kind of Government with whom we are dealing, I address a few words to my right hon. and hon. Friends on the Front Bench. One or two Labour Members have commented on the difficulties regarding a vote on amendments Nos. 2 and 3. My right hon. and hon. Friends on the Front Bench—indeed, all hon. Members—must decide whether they are satisfied with the assurances that the Minister has given about amendment No. 2.

One can envisage circumstances, both in the Chamber and in Committee, in which, on the basis of the Minister's assurances, the Opposition would not press an amendment to a vote. In the light of the comments made in the past few hours and the extraordinary prolonged silence of the Minister, the right hon. Gentleman will need to take quite

a long time to satisfy Labour Members that what he said was as simple as it seemed to be in order for them not to press amendment No. 2 to a Division.

Mr. Maxton: On a point of order, Mr. Deputy Speaker. I listened carefully to my hon. Friend's interesting and good speech. However, it was disrupted at the end by constant conversations by Conservative Members. Those hon. Members obviously believe that a vote is about to take place. They think that if they come into the Chamber and make that sort of noise, somehow or other the vote will take place earlier. I assure them that their behaviour will extend the debate, because there will be further points of order about their behaviour. I hope that you, Mr. Deputy Speaker, will ask them to remove themselves to the various parts of the House where they can carry on conversations without interrupting the debate.

Mr. Deputy Speaker: Order. Discussion is going on both inside and outside the Chamber. I hope that hon. Members in the Chamber will listen to the debate.

Dr. Marek: There has been a useful debate on the two short amendments. It is significant that on this occasion, contrary to his conduct on previous amendments, the Minister rushed into the Chamber to assure us on certain matters, but after further questions put by my hon. Friends he was unable to reply, with the result that there is now considerable uncertainty on the Opposition Benches about the state of the National Health Service, whether particular premises are part of an estate if the premises are tenanted, and so on.

The hon. Member for Littleborough and Saddleworth (Mr. Dickens) said, by way of intervention, that money does not keep hospitals clean. I must say that money goes a long way towards keeping hospitals clean. Hospitals and nurses' homes—in fact any part of a National Health Service estate, however it is defined—cannot be kept clean unless there is money available for materials and to pay for staff, adequately and fairly, and unless the management of the National Health Service is able to operate without worrying constantly about shortage of finance, shortage of resources, and shortage of capital equipment. If the management of the National Health Service is always worrying about resources, finance, and so on, however good that management is it cannot do as good a job as it should be doing on the matters that it has to consider.

Mr. Corbyn: Does my hon. Friend accept that the whole management of the NHS in the past seven years has resulted in significant reductions in the total number of staff employed, and that the reductions have taken place almost exclusively among the manual worker grades within the NHS — the cleaners, and catering and portering staff? When the privatisation of cleaning services takes place in hospitals, the average number of jobs lost will be between 40 and 60 per cent. of the complement employed by the National Health Service. Does my hon. Friend accept that the loss of jobs among directly employed staff through the introduction of bonus schemes or through the introduction of private contracts inevitably leads to insufficient staff to do the cleaning and necessary back-up work in the catering departments? Does he agree that that is the real enemy of a good Health Service and good standards of hygiene in hospitals?

11.15 pm

Dr. Marek: My hon. Friend is right. It is undeniable that in the past five or six years many health authorities which have been faced with cuts have had to choose how much to invest in the fabric of the estate. With respect to revenue expenditure, they have had to choose between protecting medical services and protecting ancillary services. In many cases they have cut ancillary services to protect medical services.

Mr. Dickens: Does the hon. Gentleman accept that I was saying that the vast majority of hospital kitchens are run well and hygienically? In many cases one could almost eat the food off the floor. I am praising the people who work in the hospital kitchens. I agree that one or two kitchens have let the side down. Cleanliness costs nothing. Every kitchen has the materials needed. We are well served by the hospitals. Because there are those that let the side down, the Government's legislation is worth while. It should correct the position.

Dr. Marek: The hon. Gentleman's first comment was fair but I cannot agree with him that cleanliness costs nothing. There is certainly a problem with pest control in old hospitals in which sewers and sumps lead directly from the kitchen. Modern kitchens avoid that. Hospitals get older. Some hospitals are 50 to 100 years old, and some are about to open next week. Their numbers are declining. The old hospitals have defects, simply because of the technology available when they were built or because of fair wear and tear. More costs are incurred in terms of effort, staff and capital investment to keep such hospitals clean than are incurred in keeping modern hospitals open. Of course, there must be costs in terms of cleaning materials and staff. On top of that, there are the costs of fair wear and tear and the costs associated with the antiquity of the systems. Older hospitals are just that much more difficult to keep clean.

I stand by what I said. If there are sufficient staff and they are paid a reasonable wage, their spirits are high, their morale is good, they feel that they are doing a service for the patient, and we get a little extra from them. Before I am misquoted—I am not accusing the hon. Member for Littleborough and Saddleworth (Mr. Dickens) of intending to do so—I must say that staff in the NHS do an excellent job, but they could do an even better one if the resources were provided. That is what is at the back of the amendment.

We are not sure what will be included in the Bill. We hope that nursing homes and similar institutions will be included. The Minister says that they are included, but he has not backed up his assertion. If they are to be included, additional resources will be required.

The Government did not say on Second Reading or in Committee, and they have not said this evening, that they recognise that there is a problem, that some hospital facilities must be cleaned up and that additional resources will be needed. They have said nothing that will give any hope to health authorities which want to provide clean premises for their staff. The British Pest Control Association says that in recent years the problem has grown much worse and that it has now grown to crisis proportions. For that reason, I am glad that the Bill has been introduced, but it could have been a much better Bill.

I do not want to take up the time of the House. The Opposition are not convinced by the Minister's

[Dr. Marek]

explanation. It came too quickly and too early. There are many questions that ought to be answered but have not been answered. We believe that amendment No. 2 should be taken to a Division. When we know the result of that Division, we shall decide what to do about amendment No. 3.

Mr. Hayhoe: The *Official Report* will show that some time ago I responded in clear and unambiguous terms to amendments Nos. 2 and 3. I stand by the words that I used then and I shall be happy to read them in *Hansard*. I doubt whether as much could be said for many of the other speeches that we have heard on these amendments.

Question put, That the amendment be made:—

The House divided: Ayes 27, Noes 168.

Division No. 214] **[11.22 pm**

AYES

Banks, Tony *(Newham NW)*
Barnett, Guy
Bennett, A. *(Dent'n & Red'sh)*
Campbell-Savours, Dale
Clay, Robert
Clwyd, Mrs Ann
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Craigen, J. M.
Davis, Terry *(B'ham, H'ge H'l)*
Dixon, Donald
Dobson, Frank
Fatchett, Derek
Foster, Derek
Garrett, W. E.
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Lewis, Terence *(Worsley)*
McWilliam, John
Marek, Dr John
Maxton, John
Patchett, Terry
Pike, Peter
Powell, Raymond *(Ogmore)*
Skinner, Dennis
Spearing, Nigel
Thompson, J. *(Wansbeck)*

Tellers for the Ayes:
Mr. Ron Davies and
Mr. Chris Smith

NOES

Alexander, Richard
Alton, David
Amess, David
Arnold, Tom
Ashby, David
Aspinwall, Jack
Baker, Nicholas *(Dorset N)*
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Benyon, William
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruce, Malcolm
Bruinvels, Peter
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Cash, William
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hicks, Robert
Hind, Kenneth
Hirst, Michael
Howarth, Gerald *(Cannock)*
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Key, Robert
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Mather, Carol
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moate, Roger
Moore, Rt Hon John
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Squire, Robin
Taylor, Teddy *(S'end E)*
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'lch N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Wakeham, Rt Hon John
Walden, George
Wallace, James
Waller, Gary
Watson, John
Whitney, Raymond
Yeo, Tim

Tellers for the Noes:
Mr. Francis Maude and
Mr. Gerald Malone.

Question accordingly negatived.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. During the previous debate my hon. Friend the Member for Caerphilly (Mr. Davies) and I asked whether you would be prepared to allow a separate Division on amendment No. 3. You said that you would consider our request and inform the House of your decision. Are you prepared to allow a separate Division on amendment No. 3? There is significant differences between amendments Nos. 2 and 3.

Mr. Deputy Speaker (Sir Paul Dean): I understood that the official Opposition did not wish to vote on amendment No. 3. However, if the hon. Member for Islington, North (Mr. Corbyn) wishes to have a vote, I am prepared to allow it.

Amendment proposed: No. 3, in page 1, line 12, after 'the', insert 'user,'—*[Mr. Corbyn.]*

Question put, That the amendment be made:—

The House divided: Ayes 23, Noes 166.

Division No. 215] **[11.37 pm**

AYES

Banks, Tony *(Newham NW)*
Bennett, A. *(Dent'n & Red'sh)*
Campbell-Savours, Dale
Clay, Robert
Clwyd, Mrs Ann
Cook, Robin F. *(Livingston)*

Corbyn, Jeremy
Davis, Terry *(B'ham, H'ge H'l)*
Dixon, Donald
Dobson, Frank
Evans, John *(St. Helens N)*
Fatchett, Derek
Foster, Derek
Hogg, N. *(C'nauld & Kilsyth)*
Lewis, Terence *(Worsley)*
McWilliam, John
Marek, Dr John
Maxton, John
Patchett, Terry
Pike, Peter
Powell, Raymond *(Ogmore)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Ron Davies.

NOES

Alexander, Richard
Alton, David
Amess, David
Arnold, Tom
Ashby, David
Aspinwall, Jack
Baker, Nicholas *(Dorset N)*
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruce, Malcolm
Bruinvels, Peter
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gorst, John
Gower, Sir Raymond
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hicks, Robert
Hind, Kenneth
Hirst, Michael
Howarth, Gerald *(Cannock)*
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Key, Robert
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moate, Roger
Moore, Rt Hon John
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Squire, Robin
Steel, Rt Hon David
Taylor, Teddy *(S'end E)*
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Wakeham, Rt Hon John
Walden, George
Wallace, James
Waller, Gary
Warren, Kenneth
Watson, John
Whitney, Raymond
Yeo, Tim

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Gerald Malone.

Question accordingly negatived.

11.45 pm

Mr. Sedgemore: On a point of order, Mr. Deputy Speaker. The debate is taking an enormous amount of time and there is now a rumour going around that the Government are going to cede the private Member's day, so Conservative Members can go home to bed early tonight. If there are these sort of private machinations going on behind the scenes, should we not have a statement from the Leader of the House as to what is being arranged and offered to the Opposition? At the moment only a couple of individuals are privy to it.

Mr. Deputy Speaker: I know nothing about these matters.

Mr. Dobson: I beg to move amendment No.4, in page 1, leave out lines 14 to 16.

Mr. Deputy Speaker: With this, we may take the following: amendment No. 5, in page 1, line 14, leave out 'in' and insert 'to extend'.

Government amendment No. 6.

Amendment No. 7, in page 1, line 16, at end insert

'to secure proper hygiene standards throughout all of the premises.

(2A) Vermin shall for the purposes of the Public Health Act 1961 and any regulations or orders made under this Act or the food legislation include rats, mice, insects, mites, birds and feral cats.

(2B) For the purposes of section 35 of the Public Health Act 1961 no part of health authorities premises shall be considered as controlled by the Factories Acts.'.

Amendment No. 8, in page 1, line 16, at end insert

'to secure proper hygiene standards throughout all the premises'.

Amendment No. 12, in page 1, line 16, at end insert—

'(2A) Vermin for the purposes of the Public Health Act 1961 and any regulations or order made under this Act, which shall apply to National Health Service premises, or the food legislation shall include rats, mice, insects, mites, birds and feral cats.

(2B) For the purposes of section 35 of the Public Health Act 1961 no part of health authorities premises shall be considered as controlled by the Factories Acts.'.

Mr. Dobson: As it stands, the Bill would allow the Secretary of State to set aside the new legislation by way of regulations. Amendment No 4 would leave out the provision allowing him to set it aside. Amendment No. 5 would permit him to change it, but only by extending it. To be fair, the Government's amendment attempts to meet the points that we made in Committee, but we are not

[Mr. Dobson]

convinced about it. We should like to know what evidence there is of any need for the Government to have any power to change this law.

In Committee, we asked the Minister why it was necessary for the Secretary of State to be able to set aside or vary the provision that lifts Crown immunity from food regulations in hospitals. The answer that the Minister gave was that parliamentary counsel had advised him that the clause needed to be included as

"a prudent contingency provision to cover the possibility that the application of food legislation may not fit the way in which health authorities are constituted."

Even more surprisingly, he then said:

"Lawyers, from their vast experience of legislation, have seen that difficulties could arise over implementing a provision to remove Crown immunity from food legislation."—[*Official Report, Standing Committee E*, 29 April 1986; c. 12.]

At our subsequent sitting, the right hon. Gentleman amended that statement ever so slightly to tone it down. However, we do not understand why the Secretary of State should take this power to vary the law on food hygiene.

Have the Government actually sought advice on whether these peculiar powers that they are seeking are necessary? For instance, have they asked the Health and Safety Executive whether its experience of vetting the kitchens of private hospitals — for which it is responsible, as they are not covered by Crown immunity —suggests that it might be difficult to impose the food hygiene regulations on NHS hospitals? Have the Minister's officials reported any possible problems with imposing the regulations on NHS hospitals? Are the problems that are envisaged by those far-sighted lawyers —if those words are not a contradiction in terms—not to do with the practical workings of the hospital but with the way that health authorities work or do not work? Is this demand one not of practicality in the hospitals but of administrative convenience?

Many businesses find regulations inconvenient. Most businesses, if asked, would say that the Health and Safety at Work etc. Act is inconvenient. Certain stupid people, including Lord Young, would say that health and safety at work legislation is an intolerable burden on private industry. Everyone would accept that it is a burden, but not many would agree with Lord Young and say that it is so intolerable a burden that it should be removed. Burdens may be imposed by the regulations, but they are worthwhile burdens because they protect the health and safety of people at work.

In the circumstances, if others accept the inconvenience of health and safety at work and food legislation, we must tell health authorities that if it is simply administratively inconvenient for them to obey the law, that is tough—they can get on with obeying it like everyone else. We would rather inconvenience a few health authorities than have people suffer from salmonella poisoning.

We need an explanation from the Minister of exactly why this provision is necessary. We come back to the point:

"I was advised by parliamentary counsel that the clause needs to be included as a prudent contingency provision".

When parliamentary counsel says that, we should consider carefully what the ulterior motives might be. No doubt the same parliamentary counsel who thought that the clause as drafted was spot on is the one who has come up with Government amendment No. 6 which accepts the variation, provided that it is

"necessary for its effective operation"

of the regulations in relation to health authorities.

We are not entirely clear what that means. Is it intended to sharpen the food regulations in case they are not sufficiently strong, powerful and thorough-going in respect of health authorities? If there is evidence to that effect, they should be extended, as sharpened, to all the premises that are now covered. If it is not intended to sharpen the law, the intention must be to blunt it. It is intended either to sharpen it to make it more worth while or to blunt it. If its effect is neutral, there is no need to include the proposition that is before us.

We still want to hear from the Minister what circumstances are envisaged which would make it difficult for health authorities if the law that applies to shops, hotels, restaurants and other premises serving food is applied to them. There was not a shred of a suggestion, in Committee from the Minister or his colleagues of what they envisaged. The proposition is advanced on the basis that it will deal with apprently unimaginable problems that might occur in future. We do not think that any Government—even a Labour Government—should be assisted by a power that will allow them to waive certain laws because of the possibility of unimaginable problems in future.

Amendments Nos. 7 and 12 seek to secure the extension of the definition of "vermin".

Mr. Sedgemore: Nye Bevan had a definition of "vermin".

Mr. Dobson: Labour's most famous Minister of Health had a definition which I recall was related to the Conservative and unionist party, so he cannot have been far off the mark. I would not wish to be controversial as the witching hour approaches. We are talking about experts on infestation, and they advise that it is ——

Mr. Tim Smith (Beaconsfield): What about "skunk" as a definition?

Mr. Dobson: If the hon. Gentleman were to speak to the Institution of Environmental Health Officers or the British Pest Control Association, which are in favour of the amendments, they might tell him that they consider skunks to be necessary. So far as I know, skunks are not currently infesting hospitals. I do not know whether a hospital in the hon. Gentleman's constituency is in that position. The Opposition are still in the realms of reality. The hon. Gentleman obviously is not.

We wish to redefine public health legislation and to relate the application of the law on food to Health Service premises so that rats, mice, insects, mites, birds and feral cats can be defined as vermin and dealt with appropriately.

Mr. Maxton: What is a feral cat?

Mr. Dobson: My understanding is that it is a cat that has gone wild. In certain hospitals, considerable numbers of feral cats roam round the premises, just as some hospitals within this city and other cities are infested by birds going into kitchens. But because they do not fall within the definition of vermin, it is difficult to deal with them under the law. Some Conservative Members who have been talking while I have been talking might be happy to tell their constituents that their local hospital is

infested with rats, mice, insects, mites, birds or feral cats, but people who know their job — by definition, that makes them superior to most Ministers — are advising us, Ministers and the health authorities that the law needs to be changed and that we need to change the definition of "vermin", which would strengthen the law and improve the cleanliness and general hygiene in hospital kitchens. We believe that is right. It should be done.

12 midnight

I do not want to detain the House at enormous length at this time of night, so I refer finally to amendment No. 8. That aims, as it says in plain words,

"to secure proper hygiene standards throughout all the premises".

I think everyone is agreed that we need to sort out food hygiene in kitchens. We should be able to maintain good food hygiene in the rest of the hospital premises once the food has been prepared in clean hospital kitchens — in some cases, for the first time for a few years. We are advised that, as presently worded, the Bill does not apply to the food once it is on the ward. The law should be changed to provide for that. We are also advised that the Bill does not apply to food in a nurses' home. Nurses are entitled to clean, decent and edible food. If the food is tipped out and becomes refuse in the back end of the ward or in another part of the hospital rather than in the kitchen, we are not convinced that that is covered by the food hygiene regulations.

We all know that all the food that is not consumed, the bits and pieces that are left over, is not necessarily returned to the kitchens. So there is food that is being moved about, food that is in the process of being consumed, food waiting about before being eaten and food that has not been eaten hanging about for a considerable time which should be treated as refuse. As far as we can see, all that food is not caught by the Bill as drafted, and we think that it should be.

Those are not fears that we are inventing. Those views are held by those whose profession it is to inspect premises to see whether they conform with the food hygiene regulations. Frankly, if I had to choose between the professional view of an environmental health officer and that of a Minister, I would go along with the person who knew something about food hygiene through his professional knowledge and experience.

I hope that the Government will explain why they are taking unto themselves this extraordinary power to vary the law to suit themselves. I hope also that the Minister will accept our proposition that the amendments should be accepted, because they would strengthen the Bill that they have drafted.

Mr. Hayhoe: These amendments deal with the regulation-making powers to make modifications to the food legislation's application to health authorities by regulations which require an affirmative resolution of both Houses.

I assure the House that the Government do not intend to use the modification power to undermine the commitment to apply the food legislation to health authorities. The hon. Member for Holborn and St. Pancras (Mr. Dobson) acknowledged that Government amendment No. 6 is a response to anxieties that were expressed in Committee. Opposition Members expressed a suspicion about the presence of a modification power in the Bill, which they suggested might be used to undermine the application of the food legislation to health authorities, notwithstanding the Government's declared intention to apply that legislation in full.

In response to an undertaking that I gave the Committee, I have brought the amendment forward. It will restrict the power to make regulations that modify the food legislation to modifications that are necessary to make the application of the food legislation to all health authorities more effective. I hope that I have therefore removed the anxiety that Opposition Members properly expressed.

The hon. Gentleman has raised matters of which he made a great deal in Committee. He asked why the power is required. I refer him to our first sitting in Committee, when I said:

"Lawyers, from their vast experience of legislation, have seen that difficulties could arise over implementing a provision to remove Crown immunity from food legislation." —[*Official Report, Standing Committee E*, 29 April 1986; c. 12.]

As I said in Committee, the power to seek modification has been introduced as a safeguard to provide for the exceptional should unforeseen difficulties arise. The hon. Member for Holborn and St. Pancras asked what are the unforeseen difficulties. If I knew what they were, they would not be unforeseen and we would not be doing this. He knows that such provision is included in other legislation and requires an affirmative resolution of both Houses. If the House accepts amendment No. 6, modifications can be only those to make application of food legislation to all health authorities more effective. I should have thought that that is what all hon. Members want.

Amendment No. 5 would confine the modification power in clause 1(2)(*b*) to extending food legislation to health authorities. The clause does that already. We discussed the other amendments generally in Committee. The proposed subsection (2A) is not relevant. It aims to introduce a requirement that certain categories of vermin should be included in the definition of vermin in the Public Health Act 1961, but the Bill is about food legislation and health authority premises, not public health legislation. As for the definition of vermin, adding mites, birds and feral cats is a matter for the food hygiene regulations, not this primary legislation. As I made clear, the inclusion of those categories of vermin in the definition of vermin in these regulations is under close examination, and if appropriate I shall introduce amendments.

I commend Government amendment No. 6 to the House and advise the House that the other amendments are either redundant or are now covered by the undertakings that I have given.

Mr. Maxton: Any concession from the Government is welcome, and their amendment to insert the words:

"necessary for its effective operation in relation to them"

is a step forward, but some of us do not understand why it is necessary to table the amendment in that way.

Essentially, the Government are saying that present food hygiene is insufficient, yet for years they have argued that it is not necessary to introduce food hygiene regulations into the NHS. In other words, they have gone a step further and said that present legislation is insufficient for the NHS and that regulations to increase the ability of health authorities to deal with food hygiene problems are needed.

[Mr. Maxton]

I accept that the standard of cleanliness in hospitals and other NHS establishments should, if anything, be above the norm for hotels, cafes and factory canteens, but hospital authorities, because they are public bodies, are much more likely to have a high standard of cleanliness than is the private sector, where standards are not normally anything like as high.

The Bill is wide ranging in terms of the premises that it covers. Earlier the Minister made it clear that the food hygiene regulations did not cover only hospital kitchens, but covered kitchens for any employee's use, whether in nurses' hostels or flats. The new general manager of the Greater Glasgow health board has for six months been living in a four-star hotel at the expense of that health board, and I wonder whether that hotel has been subject to Crown immunity during that period, and whether when he travels on the shuttle between Glasgow and his home, again at the expense of the health board, the galley on the aeroplane is covered by Crown immunity because he is an employee using those facilities under the food regulations. As I read the Bill, those facilities will have been covered by Crown immunity. It is an appalling indictment of a man who is suggesting that £20 million can be cut from the Greater Glasgow health board that during the past five months he has taken about £15,000 in expenses, not to mention his salary.

We welcome the Government amendment, but still have reservations about the effectiveness of the clause, as it remains open to interpretations which may reduce the food hygiene powers.

Mr. Dobson: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 6, in page 1, line 16, leave out 'appropriate' and insert

'necessary for its effective operation in relation to them'.—*[Mr. Hayhoe.]*

12.15 am

Mr. Dobson: I beg to move amendment No. 10, in page 1, line 16, at end insert—

'*(c)* require every health authority to report annually to the Secretary of State on the action taken to improve food hygiene in such premises, any action remaining outstanding and the estimated costs thereof.'.

Mr. Deputy Speaker: With this it will be convenient to take amendment No. 11, in page 1, line 16, at end insert—

'*(c)* require the Secretary of State to present to Parliament an annual report on food hygiene in health authority premises.'.

Mr. Dobson: The motto for these amendments is a quotation from Dr. Johnson:

"Depend upon it, Sir, when a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully."

The obligation on health authorities to produce annual reports to Ministers on hygiene in the kitchens would concentrate their minds wonderfully, and similarly, if the Secretary of State had to publish an annual report to Parliament, it would concentrate his mind too. If I am not digressing too far, I shall read a further quotation from Dr. Johnson, which may be appropriate. It is:

"Every hour takes away part of the things that please us and perhaps part of our disposition to be pleased."

If hon. Members feel less and less pleased as time goes by, the doctor knew what he was talking about.

The object of the annual reports is to fix deadlines and attract publicity. Deadlines are a great incentive to anyone who has to produce anything. Without deadlines, nothing would get done. It would be extremely salutary if the health authorities had to produce an annual report on this matter. Therefore, we have tabled two amendments. One is to oblige the Minister to report to Parliament, and the other is the logical one that would make it possible for him to produce such a report — an obligation on health authorities to report to him.

The merits of this are that every year there would have to be an annual report from both the health authorities and the Minister. As a result of that obligation, the health authorities would have to monitor what is going on in the kitchens in their hospitals, as they have manifestly failed to do in the past. They would have to identify all the arrangements that have been made for food hygiene in their kitchens, as many of them have demonstrably failed to do in the past. If the situation was not right, they would have to explain what was wrong.

The next question is whether the reporting has to be a statutory duty. Can the Minister rely on sending a circular to every health authority and getting a response? The answer is that he cannot. As reported by the Comptroller and Auditor General, when he sent a circular to health authorities about cervical cancer last year, 10 of the health authorities which were asked question on this vital matter failed to reply. As far as we can ascertain, the Secretary of State did not do anything about it, because without issuing an instrument in writing requiring them to reply he could not do anything. Therefore, it is necessary for there to be a statutory duty, which will make the health authorities concentrate on this problem.

The obligation to produce a report would show who was responsible for anything that was going wrong. It would show who was causing delays, which bureaucrats were arguing with one another and delaying improvements, and who was not providing the necessary money and other resources. I refer to the report of the inquiry into the food poisoning outbreak at Stanley Royd hospital. In many ways the most disturbing part of the whole report is paragraphs 238 to 271. Those 33 paragraphs spell out all the ludicrous machinations and arguments that went on between officials of the Wakefield district health authority, the Yorkshire regional health authority and officials of the DHSS about what would happen to the kitchens at the hospital.

I shall not delay the House by quoting vast extracts from that report, but it contained innumerable arguments, discussions, changes of plan and indications that the necessary money would not be forthcoming from the Ministry or the regional health authority for essential spending on Stanley Royd hospital.

All this was going on at a hospital where there had been a salmonella outbreak in 1979. For over three years people argued and did what can only be described as sod-all—if it is in order to use that phrase. As a result, 20 people died. If the health authority had had to produce a report to identify what was going on, if it had had to report to the Ministry and the Minister had had to report to Parliament, somebody outside that place might have noticed what was—or what was not—going on. The obligation to produce an annual report would emphasis to those responsible the seriousness of the matter and its high priority.

Ministers have other ways of demonstrating priorities. For example, on privatisation issues Ministers at the DHSS employ more than 60 officials——

Mr. Tristan Garel-Jones (Lords Commissioner to the Treasury): Not enough.

Mr. Dobson: So says one of the Trappist Whips. He says "not enough" to further the interests of Government Members who have financial interests in the promotion of private interests in health authorities. They spend much time on that. We understand that when Ministers have meetings with regional health authorities, district health authorities, or the chairs of those bodies, they are constantly——

Mr. Garel-Jones: Chairs?

Mr. Dobson: Chairs, yes. Conservatives understand what I mean. If they do not, they are out of date. Ministers attach high priority to privatisation, but they do not attach high priority to other matters. An obligation to produce reports annually would create the necessary publicity and high priority.

The amendment also requires the health authorities to produce an estimate of the cost of putting things right. The highest estimate for the cost of putting the kitchens right at Stanley Royd hospital was no less than £600,000. The estimated cost of putting right the kitchens at St. Thomas's hospital across the river is 1½ million. If those sums had to be spelt out, it would become clear who was responsible for providing—or not providing—the funds.

The amendment would reduce the element of irresponsibility that exists within the DHSS and the National Health Service. Ministers say that they have an intention, but that they cannot interfere with the priorities determined by health authorities.

I am sorry that the hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley) has left the Chamber, because it is important to emphasise the extent to which cleanliness and good food hygiene in health authority kitchens depend upon spending and hardware. The environmental health officers found that in 85 per cent. of the places that they considered to be substandard the major problems were substandard premises and general requirements for equipment. Food handlers were responsible for 15 per cent. of the problems. There has been a great effort both at Stanley Royd and other places to blame the staff, who work in lousy conditions, with lousy and unsatisfactory equipment, and not enough money. There has been a great tendency to blame them —the people at the bottom of the pile. Another reason for having an annual report is that the responsibilities of those a bit further up the pile, or pyramid, would be identified.

We are asking the health authorities to report to the Minister, but we do not think that it is satisfactory only for health authorities to report to the Minister. Ministers receive many reports which they sit on and hide. If reports are embarrassing, they ignore them. The last thing that they do—unless there is a statutory obligation to do so —is disclose them. Therefore, we believe that if the Minister receives reports annually, the House should get reports annually, setting out what has been happening. We want these things out in the open, and we want a comprehensive national report.

Other reports have been produced on the state of kitchens in the National Health Service by a number of trade unions, the Institution of Environmental Health Officers and the British Pest Control Association. It would be better if we did not have to rely on what might be described as the private initiatives—however welcome they may be—of such professional organisations. We should not have to rely on them. We should be able to rely on the Government annually——

Mr. Kennedy: I agree with the thrust of the hon. Gentleman's argument. He said that he wants a comprehensive national report, as it were. His amendments Nos. 10 and 11 specifically refer to "health authority". Other parts of the Bill talk about, in the Scottish context, "health boards". I assume that his amendments would extend to Scottish health boards as well as to health authorities in England and Wales. Can the hon. Gentleman clarify that?

Mr. Dobson: My understanding is that the part of the clause that we are considering refers to "health authorities" but, by some wild extension of the way in which we would go on in this place, that turns into "health boards" when it refers to Scotland. In my view, the Scottish health boards should prepare such reports and should submit their reports, as they would in the normal course of events, to the Secretary of State for Scotland. I understand that the Bill provides for that. Certainly that is what our amendments are intended to provide for. If passed, they would do so without any additional wording to cover Scotland.

We are in favour of such reports. There are a number of examples of Ministers having to report to the House. They must present a report to Parliament, under the Chronically Sick and Disabled Persons Act, on certain aspects of the implementation and progress in implementation of the Act. The Minister of Agriculture Fisheries and Food must report on the intervention board for agricultural products, and so on.

I add those examples in an effort to convince even the most conservative of Members that there are sound precedents for our proposal. I hope that even if the Under-Secretary of State cannot accept the exact wording of our proposals, he will accept the principle that lies behind them and our desire to improve performance and to increase publicity. *[Interruption.]* The hon. Member for Crawley (Mr. Soames) is having a bit of a moan. I hope that even if the Under-Secretary of State cannot accept the amendments, he will accept the principle and introduce in the other place amendments along these lines.

12.30 am

Mr. Kennedy: I am glad that at this late hour the debate is back on track, that those Labour Back Benchers who were released from their cages are once again chained up, and that we are again discussing the Bill more seriously.

Mr. Corbyn: Do not be personal.

Mr. Kennedy: I was not referring to the hon. Gentleman. *[Interruption.]* The hon. Member for Crawley (Mr. Soames) should not be too delighted at such a reference. One side is as bad as the other. Last week's events were no better than some of the incidents this afternoon.

I should like to support the amendments and return to a point that I raised in Committee with the Minister. Perhaps the Parliamentary Under-Secretary of State for Scotland with responsibility for health, the hon. Member

[Mr. Kennedy]

for Argyll and Bute (Mr. MacKay), will refer to the matter which I raised then and which was not answered satisfactorily. It is an important and worthwhile matter, and I trust that the response will be positive.

The Opposition have argued that the legislation will have serious financial implications for the health authorities and for the health boards in Scotland. The Government have denied that, as the explanatory financial memorandum makes clear. They say that there are no such significant implications. Therefore, I ask the government to allow the health authorities and the health boards north of the border to submit to the Department of Health and Social Security and to the Scottish Home and Health Department a breakdown of the costs that may be incurred to meet the demands imposed by the legislation. That seems to be a reasonable request. It should not cause the Government any discomfort, because they have argued consistently that the costs associated with the Bill will be zero. Presumably, if they are confident about that, they will not face major bills at the Elephant and Castle or in Edinburgh in the Scottish Home and Health Department.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): At St. Andrew's House.

Mr. Kennedy: I thank the hon. Gentleman. In that case, they will not face major bills from health authorities or the health boards to meet the demands imposed by the legislation. I hope that the Minister, who did not give a clear answer to my request in Committee, will do so tonight. I shall pay careful attention to him when he replies, as I always do. I hope that we shall be given an unequivocal reply one way or the other.

I support the comments of the hon. Member for Holborn and St. Pancras (Mr. Dobson) on amendments Nos. 10 and 11. If the legislation is to be as effective as possible, it is sensible to measure annually the improvements that flow from it to the different parts of the country. Therefore, I support the encouragement of health authorities to take that type of action. I agree with the hon. Gentleman that it is not sufficient for the information to be transferred to Ministers, never again to see the light of day, or for it to be transferred to whoever Mr. Victor Paige's successor may be, without it being made available to the public. The information should be made available to Parliament so that hon. Members can judge, on a local basis, and parties can judge, on a political basis, the progress, or lack of it, that is being made towards full implementation of the Bill's provisions.

I support the amendments and again put my specific inquiry to the Minister, in the hope that he will give a constructive response.

Mr. Corbyn: I shall be brief, because I hope that there will be an opportunity to debate the important matters that are provided for later in the Bill.

I support the amendment that has been moved by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson), and I hope that the House will see fit to agree to it. I should like the Minister to state clearly the cost implications of the envisaged changes. The removal of Crown immunity would, I hope, result in much closer examination of hygiene standards in Health Service catering departments. Implicit in the removal of Crown immunity is cost. There may be additional staff costs, or new equipment may involve additional cost. In the longer term, I think that significant changes in the design of Health Service catering departments will involve additional cost.

Many of the hygiene problems in the new NHS hospitals are to be found in the design of the buildings. They have nothing to do with hospital administration. There is scope for a serious research project into the problem of vermin in catering departments because of hospital design. Reference was made earlier to cockroaches having absolutely perfect breeding grounds in warm air central heating systems. Those who have to maintain such buildings say that when cockroaches start to breed in warm air central heating systems it is extremely difficult to get rid of them.

I hope the Minister will accept that it is sensible that an annual report should be prepared. The Minister should also take account of the curious concept of the Cinderella services. I have never quite understood what a Cinderella service is, apart from the fact that it appears to require money, over and above everything else, during the year for which a health authority is considering the distribution of its budget. The Cinderella services tend to change, depending upon the particular needs that are identified at the time. Improvements in the hygiene regulations and in the administration of hygiene in NHS kitchens are particularly important, and the Minister should consider the inclusion of such a requirement.

Much has been made of the report into the outbreak of food poisoning at the Stanley Royd hospital. My hon. Friend the Member for Holborn and St. Pancras was right to refer to the original outbreak of salmonella poisoning and then to the very serious outbreak some years later which tragically resulted in a number of deaths. That underlines more than anything the need for health authorities, the Minister and, of course, Parliament to become much more aware of the needs of NHS hospital catering departments.

If we do not ensure that not only is Crown immunity totally removed but that there is some sort of annual reporting system, tragically, what happened at the Stanley Royd hospital could happen at another hospital. It could happen in an old building like the Stanley Royd hospital or in one of the modern hospitals, such as those in London and other big cities. I hope the Minister will recognise that and accept the amendment, which would give Parliament year in, year out, an opportunity to debate the issues. That would put at rest many of the anxieties not only of people who, tragically, have relatives detained in hospitals, but of Health Service employees by ensuring that they are not wrongly maligned for unhygienic catering and the resultant food poisoning.

All the reports produced by the trade unions and professional bodies and other people about Health Service catering are well intentioned and timely. Their authors should be congratulated on producing them and on the efforts they have put into them. It is not good enough for us to rely on voluntary bodies, however good they are, to keep us up to date and up to scratch about Health Service catering. It is a matter of public concern, and one way to overcome that concern is by the production of an annual report, such as that outlined by my hon. Friend the Member for Holborn and St. Pancras.

Mr. Whitney: The hon. Member for Holborn and St. Pancras (Mr. Dobson) began his speech with a couple of

quotations that he raided from a bumper fun book of quotations from Dr. Johnson. If it were anyone less affable than the hon. Gentleman, I might recall for the benefit of the House the quotation by Dr. Johnson about the talking dog—it was remarkable, not that he talked well, but that he talked at all.

The hon. Gentleman spoke about the "ludicrous machinations and arguments" that went on in the extremely sad affair at the Stanley Royd hospital. I am delighted to have the hon. Gentleman's support and endorsement, which I take by inference, for the system of general management which we have introduced and which we are confident will avoid precisely the "ludicrous machinations and arguments" which caused the difficult and regrettable trouble at the Stanley Royd hospital.

Mr. Dobson: If there is another salmonella outbreak in a hospital with a general manager, will the Minister sack the manager?

Mr. Whitney: That is a hypothetical question that I shall be happy to consider should the need arise.

I hope that the hon. Gentleman will consider the situation that the Stanley Royd hospital inquiry revealed and address his mind to the possibility that, given the clear acceptance of responsibility inherent in the general manager system, it would have been highly unlikely, to put it at its lowest, for that sort of thing to occur had such a system existed at the Stanley Royd hospital.

The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) reminds one of another quotation by Dr. Johnson, but I had better avoid that, because to cite it might lose us votes in Scotland.

The hon. Member for Islington, North (Mr. Corbyn) spoke about additional costs that might be incurred. I remind the House not only of the increased real expenditure that the Government have already devoted to the National Health Service, and to which I have referred at least once already in the course of an earlier debate, but of the 6·7 per cent. increase in resources that is being made available to the Health Service this year. That is set against inflation, which is about 3 per cent. The savings that are being achieved by the cost improvement programme an by the sale of the estate, and the savings that are being achieved by the competitive tendering programme, offer a fruitful source of funding for any necessary bringing up to standard should that be necessary in any health authority or in any Health Service unit. It has always been accepted that despite Crown immunity the standards that we expect should nevertheless be observed.

12.45 am

Mr. Corbyn: I thank the Minister for giving way. Will he for one moment leave the fairytale land in which he lives about increased resources for the NHS and answer the question in the debate? When a report is made which clearly shows that more money is needed in NHS catering departments to overcome the difficulties, will the Department provide the funds and not take money from the patient care budget, as it has done with every other thing in the NHS?

Mr. Whitney: If the hon. Gentleman wishes to talk about reality, I remind him again of the reality of a 24 per cent. increase in spending real terms since 1979, of a 6·7 per cent. increase this year against 3 per cent. inflation of about £150 million available in the next year and a similar amount that will be made available from the sale of real estate, and the fact that there is also the additional funding that will be available from competitive tendering. That is the reality.

Mr. Maxton *rose*—

Mr. Whitney: I am answering the hon. Gentleman's hon. Friend. If the hon. Member for Islington, North (Mr. Corbyn) wants a little reality, let him read carefully tomorrow what I have said in *Hansard* and he may learn a little about the funding of the NHS.

Mr. Maxton *rose*—

Mr. Whitney: No, I shall not give way. Sit down.

The hon. Members for Holborn and St. Pancras and for Ross, Cromarty and Skye—we do not know whether or not the Liberals will join in this these days—are offering a whole bundle of paper which is to be shipped yet again into the Vote Office and the Library in the form of annual reports to Parliament from some 191 health authorities. That is a completely unnecessary procedure, set against the fact that the purpose of clause 1 is to apply the food legislation, including its enforcement provisions, to health authorities, so that their premises will be inspected by environmental health officers who will be able to require improvements to comply with the legislation, and, if necessary, will be able to prosecute and, indeed, to seek closure of premises. So in future any health authority which has failed to follow our long-established policy of complying on a voluntary basis with the legislation will, once the Bill comes into effect, be obliged by the force of law to comply or face the consequences.

When my right hon. Friend announced the Government's intention to seek to remove Crown immunity under the food legislation from the NHS, he said that we would also be revising the central guidance in the light of the Stanley Royd report and other developments. We are now consulting other interested bodies, such as the Institution of Environmental Health Officers, on a draft of this guidance. This makes it clear that district health authorities should receive each year, in the public part of their meetings, a summary of EHO inspection reports. It also asks regional general managers to see that food hygiene standards are monitored in their districts.

This guidance, along with the force of law applied through the enactment of clause 1, will ensure good food hygiene standards in all our hospitals. The Government see no need to introduce the large volumes of extra paper which would be the main effect of the statutory reports envisaged by these amendments supported by the Labour and Social Democratic parties. I urge the House to reject the amendments.

Amendment negatived.

Mr. John MacKay: I beg to move amendment No. 15, in page 2, line 26, after 'means', insert
'the Milk Dairies (Scotland) Act 1914 to 1949,'.

This technical amendment is required to bring the statutory provisions relating to milk in Scotland within the effect of clause 1. Legislation in Scotland on milk is largely separate from the main provision on food—the Food and Drugs (Scotland) Act 1956—and this amendment completes the references to Scottish provisions relating to food.

Mr. Maxton: I rise merely to welcome the Scottish Minister to the debate. This is the first time that he has

[Mr. Maxton]

been in the Chamber. *[Interruption.]* The hon. Gentleman managed to dash in on the previous occasion that I spoke —he was obviously told by a Government Whip that I was attacking him for not being present—but he has hardly been present. Yet the Bill covers the whole of Scotland.

I assume that there will have to be a drafting amendment to the Government amendment, because I assume that it should refer to the "Acts" of 1914 to 1949 and not just the "Act". No doubt that will be put right.

I also assume that the Minister has got the amendment right—though it will be unusual if he has. However, I intervene merely to welcome the Minister on one of his rare appearances in our debates on the Bill.

Amendment agreed to.

Clause 2

PHARMACEUTICAL SERVICES

Mr. Dobson: I beg to move amendment No. 20, in page 3, line 20, at end insert

'and—

(iii) the times at which he will undertake to provide those services.'.

Mr. Deputy Speaker: With this we may take the following amendments: No. 24, in page 3, line 47, at end insert—

'*(e)* for the Committee to consult local public transport undertakings about the hours of opening of the premises under consideration.'.

No. 25, in page 3, line 47, at end insert—

'*(e)* to ensure that every neighbourhood has reasonable access to the services of a pharmacist; that such services be advertised in such manner of language to be easily understood and that they be available at specific times outside normal trading hours.'.

Mr. Dobson: The main aim of amendment No. 24 is to ensure that the provision of pharmaceutical services and decisions about the services provided are not taken in isolation from consideration of the transport facilities that are available to get people to and from chemists' shops when they want to get a prescription dispensed.

Many people do not have their own transport and have to rely on public transport. The timing and routes of buses are often not convenient and not related to the location or opening hours of chemists' shops. That makes it difficult for people who are sick or are nursing sick relatives or friends to get drugs that they require.

We propose in amendment No. 24 that before deciding whether to accept a proposal for a chemist's shop in an area the committee responsible for making the decision should consult local public transport undertakings on the opening hours of the premises. It may be possible to get the people running the shop to vary their hours or to get the people running the transport system to vary their timings so that buses are run for people who do not have private transport. At some times of the day, those people are the majority.

My hon. Friend the Member for Islington, North (Mr. Corbyn) will no doubt explain his amendment No. 25, which proposes that

"every neighbourhood has reasonable access to the services of a pharmacist"

and that services should be made known in languages that are understood by people whose mother tongue is not English.

We argued in Committee that it would be useful for the committee that decides on applications to open chemists' shops to consider matters such as opening hours and ease of access and use of local pharmacies. We are in favour of people making better and more extensive use of their local pharmacies, and that is what the amendments are intended to secure.

As I am always willing to admit, there may be something wrong with the detailed drafting of the amendments. If there is, we should be happy for the Minister to accept the basic proposition and to introduce a more appropriately worded amendment in the House of Lords which will do better the job that we want done. I can see no reason why he should not accept the general drift of the amendments.

Mr. Corbyn: I support my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson). When the National Health Service was set up, controls on pharmacies were exercised through family practitioner committees. Later, those controls were made more powerful, and now the Government wish to introduce more requirements for the opening of pharmacies.

Amendment No. 25 places a requirement on the Health Service to ensure reasonable access to the services of a pharmacist wherever people live. Although I can understand the argument that we should stop too many pharmacists opening shops in one high street or shopping area, it is also important to ensure that there are enough pharmacies in each neighbourhood. Increasingly in rural areas the idea of local shops is disappearing with the development of hypermarkets and motorised shopping centres. Village shops are also disappearing, and in the suburbs of small towns pharmacies tend to disappear altogether. It is important to ensure that pharmacies open in places which it is practical for people from every neighbourhood to reach.

A similar, although more complicated, problem arises in urban areas. Shopping centres tend to suffer from the growth of larger multiple shopping centres some distance from town, so urban areas lose many shops, especially pharmacies, which are needed by those who have difficulty in getting around. My hon. Friend mentioned the need to consider public transport facilities.

The committees involved must also ensure that the opening hours of pharmacies are well-advertised and that they open outside normal trading hours. Unfortunately, people do not require the services of a pharmacist only during office hours. Additionally—this applies to some areas more than others, but especially in my constituency —there is a need for multilingual advertising of such services. In my constituency, 41 languages are registered or spoken. Some are more dominant than others, including several African languages, Hindi, Urdu, Bengali, Greek and Turkish. At least six languages are commonly spoken, apart from English. It would be appropriate for the local committee to require that pharmacists' services be advertised in the languages commonly spoken in the locality. Elderly people from the subcontinent and other areas often have to ask children to vist the pharmacy and explain what is wanted or obtain the necessary information.

The suggestions in amendment No. 25 would change the Bill's approach from the entirely permissive to the more compulsory. They would ensure that pharmacies were located in reach of everyone, that they were open at convenient times and, importantly for areas such as Islington, that the services were advertised multilingually to ensure that no one is left out of this aspect of the Health Service.

I am

Mrs. Clwyd: I should like briefly to support the comments of my hon. Friends. I was a member of the Royal Commission on the Health Service, and among the subjects that we dealt with were pharmaceutical services, and particularly access. Many of those who submitted evidence to us about pharmacists were concerned about the reduction in the number of pharmacists that has occurred in recent years. Thus, the points made by my hon. Friends are very relevant.

Although the number of trained pharmacists and those in training has been rising, the number of pharmacies in the community has fallen by more than a quarter since 1963. Most of the closures have been in urban areas, but their effect has been felt particularly in rural areas, and was the subject of comment by several community health councils. For example, Bath CHC told us that

"the increasing trend for small pharmacies to close is giving more and more cause for concern, particularly in the small and rural communities where the alternative service may be some distance away."

If that trend continues, the difficulties experienced at present by some of those who try to get to a pharmacy are likely to become more widespread. I should be grateful if the Minister could give us some assurances on that point.

Although the contract has in general received support, opposition has come, for example, from the recently formed British Pharmacists Association. It claims that at least 1,400 small chemists shops will close when the contract is first introduced, and that 3,000 could close in the first year. I should be interested to know whether the Minister has received any representations from CHCs, which would be the first to report on any concern about access voiced by patients. I have heard about the reaction of professional bodies to the new contract, but little publicity has been given to what potential patients think about reducing access to pharmacies as a result of the contract. Perhaps the Minister could give some assurances on that point.

Mr. Hayhoe: I shall begin by responding to the comments of the hon. Member for Cynon Valley (Mrs. Clwyd). I think that her remarks were more relevant to amendment No. 17, which was not moved. The opportunity for dealing with the opposition to the contract which has been expressed in some quarters has passed. Consequently, I shall confine my remarks to amendment Nos. 20 and 25, which have been spoken to by the hon. Member for Holborn and St. Pancras (Mr. Dobson) and his hon. Friend the Member for Islington, North (Mr. Corbyn).

Amendment No. 20——

Mrs. Clwyd: Will the right hon. Gentleman give way?

Mr. Hayhoe: No. Let me deal with the amendments that have been moved. Amendment No. 20——

Mrs. Clwyd: Will the right hon. Gentleman give way?

Mr. Hayhoe: I do not accept amendment No. 20——

Mrs. Clwyd: On a point of order, Mr. Deputy Speaker. The Minister said that my point was irrelevant to the amendment, but it is very relevant to it. I refer to amendment No. 25, which seeks to ensure that every neighbourhood has reasonable access to the services of a pharmacist. That is precisely the point that I was making.

Mr. Deputy Speaker: (Mr. Harold Walker): That is not a matter for me.

Mr. Hayhoe: I shall say something about amendment No. 25 in a moment. I said that that speech seemed to be more relevant to amendment No. 17, and particularly the reference that the hon. Lady made to the association which opposes the contract. That would have required the deletion of the whole of the clause. However, I shall return to that point.

I am broadly sympathetic to the idea behind all of the amendments, which are concerned with trying to ensure a better service for the patient. I hope that that is common ground among us, and, indeed, it was certainly reflected in all our discussions in Committee.

The amendments are unnecessary as part of the primary legislation. With respect to amendment No. 20, there is already adequate provision on hours of service to ensure that patients receive an adequate service when they require it. Regulations state that the FPCs, after consultation with the local pharmaceutical committee, should prepare schemes to secure that one or more pharmacies should, at all reasonable times, be open. Any such scheme should specify the days and hours during which such pharmacies would be open, and all FPCs operate model hours of service schemes. Most of us know from our constituencies how effectively they work and how the information is made widely available.

On amendment No. 24, FPCs are responsible for planning local primary care services, which is a matter for local judgment. If the hon. Member for Holborn and St. Pancras is concerned that the draft guidance is not sufficiently specific, I shall be glad to look at the matter further when we reconsider the guidance to FPCs following the passage of this legislation. I hope that the hon. Gentleman is satisfied with that assurance.

That is broadly what I wish to say to the hon. Member for Islington, North about amendment No. 25. I agree that every neighbourhood should have reasonable access to the services of a pharmacist. Indeed, the underlying aim of the new arrangements for allocating the NHS pharmacy contracts is that patients should receive an adequate service that is not wasteful of NHS resources. That appeared to be a matter of common ground during our detailed discussions in Committee. Of course, the regulations cannot ensure that. All that we can do is provide the framework within which the FPCs can operate to obtain the best arrangements possible. Obviously, services should be advertised so that they are easily understood and give specific times for when they are available outside normal trading hours.

As I have said, I do not think that these matters are for this primary legislation. The need to consider the maintenance of out-of-hours services when considering new applications for contracts should, of course, be taken into account by FPCs. I assure the House that we shall emphasise that requirement in the guidance to FPCs.

[Mr. Hayhoe]

Although we are broadly sympathetic to the points that have been raised, I do not believe that they are appropriate for primary legislation. I am prepared to consider both what has been said tonight and any written representations before we issue the detailed guidance.

Mr. Corbyn: Can the Minister make it clear that while it is obvious that the House cannot legislate for every corner-shop pharmacist, he will take on board the necessity of ensuring that a pharmacist is available in every community? Secondly, the right hon. Gentleman has not answered the point about multilingual communities and the need to ensure that the services are clearly advertised in the languages of minority ethnic communities. There is a serious problem with the inability of some people to communicate with their pharmacist when obtaining medicines because of the of the enormous language difficulty. It is important that that point is included in the guidelines.

Mr. Hayhoe: The question of ensuring that that happens is not appropriate to this legislation. However, in the guidance to FPCs we shall seek to give positive guidance aimed at the objectives of proper coverage to suit the patients and details of out-of-hours service for local residents. That should cover the point of that information being given, as far as is practicable, in languages that as many of the local population as possible will understand.

Amendment negatived.

Dr. Marek: I beg to move amendment No. 21, in page 3, line 36, leave out 'or some of the services'.

Mr. Deputy Speaker: With this we shall take Government amendments Nos. 26, 27 and 34 and amendment No. 36, in page 5, line 17, leave out 'or some of the services'.

Dr. Marek: I shall be brief as the Government amendments go some way towards meeting the comments and criticisms which were expressed in Committee. I shall be interested to hear what the Minister has to say.

Mr. Whitney: As the hon. Member for Wrexham (Dr. Marek) has said, Government amendments Nos. 26, 27 and 34 go some way towards meeting the matters that he raised in Committee, during which we had a valuable and constructive discussion about whether family practitioner committees and health boards could accept an application in part only. For example, if an applicant said that he wished to supply three types of service and only two types were necessary, could the FPC accept the application only in respect of the services needed? It will probably be common ground that FPCs should have the right to make an appropriate judgment.

Clause 2 does not expressly permit FPCs to adopt a selective approach. Therefore, we gave a clear undertaking to consider the matter and, indeed, we have done so. The amendment makes it clear that FPCs have the right to be selective when considering applications for new contracts. Only these services needed locally would then be selected. As FPC would not be forced to accept an application because only some of the services on offer were required. Equally, it would not be forced to refuse an application where all but one type of service was necessary and desirable.

I am grateful to the hon. Member for Wrexham for tabling the original amendment in Committee and to my hon. Friend the Member for Chislehurst (Mr. Sims) for his contribution to the discussion. I hope that hon. Members on both sides of the House will accept the Government amendments.

Dr. Marek: I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Mr. Dobson: I beg to move amendment No. 23, in page 3, line 47, at end insert—

"*(e)* for the Committee to consult the Community Health Council for the area concerned before reaching any decision on the establishment continuance, or closure of a pharmacy.'.

The purpose of the amendment is fairly clear in its wording. That is because I am incapable of writing anything that is not simple. The proposition is that the Committee considering an application for the

"establishment continuance, or closure of a pharmacy"

should, before reaching its decision, consult the community health council of the area concerned. That seems to be a sensible, simple and sound proposition, and no doubt the Government will be urging the House to reject it.

Community health councils are consulted — not as often or as carefully as they should be, and having been consulted their views are often ignored — over hospital closures and variations in services by the hospital service and the community health service, and it seems that they should be consulted over something as important to a community as the

"establishment continuance, or closure of a pharmacy".

If a pharmacy is removed from a locality and it is the only one in the area, the local community suffers considerable inconvenience, and the difficulty and inconvenience of getting drugs dispensed may put some people in danger. It is a sensible and reasonable requirement that the committee considering the

"establishment continuance, or closure of a pharmacy"

should have to consider the local community health council, which to a limited extent represents the views of consumers of health services in the locality.

1.15 am

Mr. Corbyn: This is an important amendment, which I hope the Minister will take seriously.

One of the many problems in the Health Service is its fundamentally undemocratic nature. Health authorities are fairly undemocratic, and family practitioner committees are even less democratic than health authorities. Sometimes they take decisions without any apparent rhyme or reason. Until we have a Labour Government who will ensure that there is a much more democratic Health Service and an end to the false division between health authorities and family practitioner committees, the least that we can do is require that when the allocation of pharmacies is made, and when the closing down or reallocaton of pharmacies is considered, there is some public consultation. That already happens with doctors' surgeries. Because that happens, there has been a serious debate and public concern about the problem of elderly family practitioners in inner urban areas.

The same public concern has not been voiced about the shortage of pharmacies, simply because there is no means

to voice it until the pharmacies have closed and gone, and been turned into newsagents, betting shops, or estate agents, as so often happens——

Mr. Dobson: Or massage parlours.

Mr. Corbyn: Indeed.

It is important that we have some form of public consultation. While community health councils do a valuable job and attempt to represent the views of people in their community, in addition to that there should be an opportunity, perhaps through the community health councils, for local authorities and other interested groups to make comments. It is a serious problem, particularly in a community with a large number of elderly people, if a pharmacy closes down and there is nowhere nearby or convenient where they can go to obtain medicines or make other purchases.

I hope that the Minister will ensure that there is consultation, because by that very process we could make sure that the family practitioner committees paid as much attention to the provision of pharmacies as they now do to the allocation of doctors' practices.

Mrs. Clwyd: I should like to reinforce what my hon. Friends have said. As a former member of a community health council, I know what a valuable voice those councils are for consumers in the community, despite the lack of resources allocated to them by the Government, who set up community health councils, but have given them no teeth. We argued for that in the Royal Commission on the National Health Service. We believe that more resources should be given to community health councils so that they can represent the consumer more adequately. That has not been done, but they still represent the only authentic voice of the community on Health Service matters, although they are able to do so only in a rather inadequate way because of the lack of resources.

I am pleased that the Secretary of State for Wales is here. He knows that the Health Service in Wales is even less democratic than in England, because the powers that were given to the regional health authority were removed by him to the Welsh Office, where Ministers are not really responsible for the day-to-day running of the Health Service because they have such a vast variety of subjects for which they are responsible and it is civil servants who take the major decisions on Health Service matters that affect consumers in Wales. Thus it is even more important that the voices of the community health councils are listened to in Wales than in the rest of Britain, perhaps, because of the less democratic nature of the Health Service there.

The Minister did not answer me when I asked him whether he had had any representations from community health councils on the new pharmacy contract. If he has not had them, he should ask for them. I am sure that they will have views. They gave views to the Royal Commission on the National Health Service. I am sure that they would do so again if asked. It is important that the Government hear them. If they think that services to patients are being run down by the closing of pharmacies, which has been predicted by one of the professional organisations, it is only right and proper that their voice should be heard. The views of community health councils are important. If there are such organisations, they should be used as the authentic voice of the consumer. I support this important amendment.

Mr. Campbell-Savours: I shall be brief, but I feel strongly about this matter.

I have some experience of the inadequacies of family practitioner committees. A surgery in my constituency was closed without any member of the public knowing what was happening. It was closed by a resolution carried by a FPC in Carlisle.

Mr. Deputy Speaker: Order. The amendment deals with the establishment, continuation or closure of a pharmacy.

Mr. Campbell-Savours: That is absolutely right.

Mr. Deputy Speaker: I hope that the hon. Gentleman will stick to it.

Mr. Campbell-Savours: That is precisely what I am doing. I am trying to draw attention to the fact that family practitioner committees are not competent to act on their own when the public interest is at stake. I am giving an example of one which failed in its public duty. The story that I gave shows their inadequacies. They should be required to consult community health councils, which are closer to the community.

In the case to which I referred there was a clear difference of opinion between the community health council and the family practitioner committee. Privately and, to some extent, publicly, the council said that it felt that the public had not been consulted and that the FPC had dealt with the matter inadequately. Pharmacies are an important part of local Health Service provision. There must be public consultation in every way, and there is no better means of doing that than consulting community health councils. I hope that the House will carry this important amendment.

Mr. Whitney: Such is the generosity of the Government that, even at this late hour, I should like to say that we have considerable sympathy with much of the reasoning behind the amendment. The draft guidance to family practitioner committees makes it clear that, when an application for a new contract is received the FPC will notify local community health councils. Those CHCs will have the right to make representations on the application to the FPC. CHCs will also be notified about applications for minor relocations at NHS pharmacies. It is the Government's intention to confirm these arrangements in regulations but, as the Secretary of State for Social Services already has the powers to make such regulations, the Government do not consider that extra powers in this Bill are necessary.

The hon. Member for Cynon Valley (Mrs. Clwyd) asked about the number of pharmacies. I am happy to be able to say that the number has risen and that, to the six months ending 31 December 1985, no fewer than 215 opened, 13 of which were in Wales. The hon. Lady also asked about representations from the CHCs on the new pharmacy contract. I am advised that we had no such representations.

In the great majority of cases, closure is decided by the contractor involved — the matter is not within the control of FPCs. There would, therefore, be little point in the FPCs consulting community health councils about something that they do not control.

Mr. Corbyn *rose*——

Mr. Dobson: The Minister must bear in mind the fact that the Bill will offer financial incentives to some pharmacies to close, so there is a direct responsibility. The Government, with FPC involvement, will induce pharmacies to close. In those circumstances, FPCs have a function in regard to a proposed closure.

Mr. Whitney: That would be a judgment for the FPC. The Opposition amendment proposes that all closures are subject to consultation with the CHC. That is not within the gift of the FPC, given that in the majority of the cases closures are decided by the contractor.

Mr. Corbyn: This is the heart of the problem. The FPCs have a power to ensure that there is a doctor's surgery in every area. While Opposition Members have many criticisms of the way in which FPCs operate, it is right and proper that they should ensure that that is the case. The fact that they do not have the equivalent power for pharmacies is no reason for not passing the amendment and every reason to amend the primary legislation to ensure that FPCs, in a more democratised form, have control over pharmacies to ensure pharmacy services are provided in every community.

Mr. Whitney: The provisions go a long way towards ensuring that there is wide and appropriate coverage of pharmacies. The figures that I gave for the past six months demonstrate adequately that the coverage of pharmacies is good and increasing. I invite the House to reject the amendment.

Question put, That the amendment be made:—
The House divided: Ayes 9, Noes 103.

Division No. 216] [1.28 am

AYES

Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Corbyn, Jeremy
Hughes, Simon *(Southwark)*
Kennedy, Charles
Lewis, Terence *(Worsley)*
Pike, Peter
Skinner, Dennis
Wallace, James

Tellers for the Ayes:
Mr. D. N. Campbell-Savours
and Mr. Bob Clay.

NOES

Alexander, Richard
Amess, David
Arnold, Tom
Ashby, David
Baker, Nicholas *(Dorset N)*
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Bruinvels, Peter
Budgen, Nick
Burt, Alistair
Butterfill, John
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Cope, John
Couchman, James
Currie, Mrs Edwina
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Dover, Den
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gorst, John
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Harris, David
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hind, Kenneth
Howarth, Gerald *(Cannock)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kellett-Bowman, Mrs Elaine
Key, Robert
Lamont, Norman
Lang, Ian
Latham, Michael
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Major, John
Marland, Paul
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moynihan, Hon C.
Newton, Tony
Nicholls, Patrick
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Powley, John
Raffan, Keith
Rathbone, Tim
Ridley, Rt Hon Nicholas
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Skeet, Sir Trevor
Squire, Robin
Taylor, Teddy *(S'end E)*
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Wakeham, Rt Hon John
Walden, George
Whitney, Raymond
Yeo, Tim

Tellers for the Noes:
Mr. Gerald Malone and
Mr. Mark Lennox-Boyd.

1.30 am

Question accordingly negatived.

Amendments made: No. 26, in page 4, line 1 at end insert—

'( ) that an application to a Committee may be granted in respect of some only of the services specified in it;'.

No. 27, in page 4, line 8 at beginning insert 'that'./*Mr. Whitney.*]

Mr. Dobson: I beg to move amendment No. 32, in page 4, line 23 after 'appeal', insert

'to a committee of such persons as should be appointed by the Secretary of State'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments:

No. 33 in page 4, line 24 at end insert

'on the ground of manifest unreasonableness at the time of the relevant decision and on no other ground.'.

No. 42, in page 5, line 46 at end insert

'on the ground of manifest unreasonableness at the time of the relevant decision and on no other ground.'.

Mr. Dobson: I shall be brief and give the extra corps the opportunity to go home.

The purpose of the amendments is to provide a national appeals machinery against the possibility of a family practitioner committee turning down an application. Doubt has been expressed by the pharmaceutical profession — or trade — because pharmacists are not happy about existing pharmacists sitting on a committee and turning down applications from people who want to open pharmacies. They have asked for a national appeals machinery and have been refused. We think that such a machinery is reasonable.

Mr. Kennedy: I support the amendment. During the Committee stage, the Parliamentary Under-Secretary of State, the hon. Member for Wycombe (Mr. Whitney), gave a clear undertaking, which led to a similar amendment not being pushed to a Division on that occasion, that he would, in due course, hold discussions with pharmaceutical representatives over the possibility of setting up an independent appeal mechanism on what they considered to be one of the most important central provisions for their well-being in the legislation. In good faith, the matter was not pushed to a Division on that occasion.

Recently, I wrote to the Minister for Health, because the pharmaceutical representatives are concerned that the implication in the Minister's remarks in Committee—that is, discussion—appears not to be the case. As far as they are aware, in their contacts with representatives of the Department, there is an outlook in the Department that some discussion would be in order prior to the tabling of any regulations coming from that part of the Bill.

The pharmaceutical representatives were disappointed. It is fair to say that they consider there to be a breach of faith on the Minister's part. Given the tenor of the remarks made in Committee, it is not what we would have expected tonight. The implication that alliance Members were left with was that the Government would table amendments to that part of the legislation. That was the impression that we received, in genuine good faith. On the basis of that understanding, a Labour Front Bench spokesman did not push the matter further. The Minister should be aware that the matter is causing concern among pharamaceutical representatives. I hope that he can put to rest the anxiety that they have expressed to us, and which I share.

Mr. Hayhoe: I made it clear in Committee that the Bill did not specify an appeal system. The details of the system were to be dealt with by way of regulations. Hon. Gentlemen will remember that I circulated, for the convenience of the Committee, the draft regulations which were prepared last autumn so it could see what was in mind. Indeed, that helped our discussions. I went on to say that I would look at the regulations again, taking into account the views expressed in Committee, the individual representations by hon. Members and the views of some outside representative bodies. I know that further representations are coming in. They were due in last week, but they have not arrived.

All those representations will be taken into account. The objective will be to establish a fair and objective appeal system that meets the needs of local people and takes account of what has been said. That assurance holds absolutely. I hope that the amendments will not be pushed. I assure both the hon. Member for Holborn and St. Pancras (Mr. Dobson) and the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) that the discussions will take place.

There was no commitment to bring forward amendments to the Bill on Report. The commitment is to bring forward new regulations embodying an appeal system which, I hope, will take account of what has been said. Different views have been expressed. Whatever system is set up, it must be monitored carefully. If it is not proven to be entirely satisfactory, there will be an opportunity for amending it at a later stage.

1.45 am

Mr. Corbyn: I am not sure that we have been given a helpful answer by the Minister. The issue about which he spoke and the amendment moved by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) go to the heart of one of the biggest problems in the Health Service—its fundamental lack of democracy and the neo-clandestine atmosphere in which many decisions are taken by the family practitioners committees. My hon. Friend the Member for Holborn and St. Pancras was talking about the need for a proper appeals system.

It is not good enough for the Government to introduce the National Health Service (Amendment) Bill which goes into considerable detail about the problems of pharmacies and the pharmacists' contract. I understand that there was much discussion in Committee about pharmacists' remuneration. Yet, when it comes to an appeal against a decision by the family practitioner committees, the world is silent and nothing is offered. There can be nothing more important than to know where to go if one wants to complain about one of those decisions. It is high time that the Minister accepted the amendment and told us what type of people will make up the committees and from where they will be drawn.

In the debate on an earlier amendment the role of community health councils was mentioned. They might have a role to perform in this respect, but the problems concerning the administration and structure of the Health Service are serious and the least the Minister could do is give us a straight answer to what is basically a simple question: is there to be an appeals system, or not?

Mr. Campbell-Savours: Does my hon. Friend accept that, if the Government had been wise enough to accept the earlier amendment and to vote with us during the last Division, we would not have needed to debate this matter now? We would have been satisfied that the consultative arrangement which we sought under the community health council amendment dealt adequately with the problem. The Government have brought this accusation upon themselves by once again refusing to accept an eminently sensible amendment tabled by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson).

Mr. Corbyn: There is some merit in that intervention but, unfortunately, the amendment that the Government chose to defeat did not go far enough. However, I do not wish to be drawn backwards. We are obviously anxious to go forwards and to ensure that there is a proper system in which community councils would have a role to play.

The amendments are simple, but important and fundamental. As with all aspects of the Bill, we must await the election of a Labour Government to have a proper democratic Health Service and to end the sort of fudge and backstairs manoeuvre by which it is now run.

Mr. Dobson: Sympathetic though I am to the propositions of my hon. Friend the Member for Islington, North (Mr. Corbyn)—having written them down myself—I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 34, in page 5, line 28, at end insert—

'( ) that an application to a Health Board may be granted in respect of some only of the services specified in it;'.—*[Mr. Hayhoe.]*

Clause 6

SHORT TITLE, ETC.

Mr. Dobson: I beg to move amendment No. 61, in page 8, line 9, leave out 'three months' and insert 'one month'.

The Bill provides that the lifting of Crown immunity should come into operation three months after the Bill is given royal assent. As reasonable people, we all understand that sometimes it is necessary for a period to elapse before a Bill comes into operation because consultations need to be carried out and regulations need to be issued. In some cases it is necessary for the bodies

[Mr. Dobson]

that are covered by the regulations to make special new arrangements to cope with the change in the law, but in this case no regulations are required.

Ministers have told us throughout the discussions that Crown immunity provisions are being lifted from the food hygiene regulations, but that the change is gratuitous because health authorities are carrying out the provisions already without the law having been changed. There is no need for any regulations in this case. Ministers say that there is no need for any change in practice, policy or behaviour by the health authorities. In those circumstances, there seems to be no reason why they should have to wait three months before the law comes into force.

Mr. Corbyn: This amendment is an important long-stop. During this rather short Report stage we have found time and time again that the provisions of the Bill are subject to a later decision by the Minister. This is a feature of so much of this Government's legislation. The House votes and then finds that all that it has done has been to give a pen to the Minister. He can decide how the Bill will operate, where it will operate and who will suffer as a result.

The Minister was unable to answer questions on the appeal mechanism for family practitioner committees where pharmacy contracts are to be curtailed or introduced, or on consultations about the location of pharmacies, or on consultations with community health councils. We are awaiting the regulations dealing with the location of pharmacies and the surrounding issues. Therefore, it is not right that the Bill should be brought into operation within a mere three months. Six months is even a little tight. My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) was a little cautious in providing for only six months in his amendment. It would be better if there could be a full year before the Bill is brought into operation.

In case any Conservative Member should say that the abolition of Crown immunity would be held up, there is nothing to prevent the Government from saying now that the provisions of the food hygiene regulations and the Health and Safety at Work etc. Act 1974 should be deemed to be operative in NHS premises from now on. There is no need for delay. The least that the House can do is to accept the amendment. The Minister would then be able to think about the answers that he has promised to give to the House.

Mr. Hayhoe: The hon. Member for Islington, North (Mr. Corbyn) seems to have been as inaccurate in his comments on this amendment as he was in much else that he said. The amendment proposes to reduce the period from three months to one month. The hon. Gentleman seems to think that the amendment proposes to increase the period from three months to six months. If his understanding of even that simple provision is as incomplete as he has now demonstrated, heaven help us if he were to try to interpret the more complicated provisions of the Bill.

The three-month provision was included in the Bill when it was published. Nobody can say that the Bill has been delayed. It was announced by my right hon. Friend the Secretary of State for Social Services in February. To carry it forward to Third Reading early in June is a fairly significant achievement. It would be unreasonable at this stage to change the implementation date. Therefore, I hope that the amendment will not be pressed.

Amendment negatived.

1.52 am

Mr. Hayhoe: I beg to move, That the Bill be now read the Third time.

This short Bill contains provisions on three important health issues. Clause 1 seeks to apply the food hygiene legislation to health authorities and thus remove Crown immunity from hospital catering. Clause 2 is concerned with the change in the arrangements for retail pharmacists to take up NHS contracts. It provides powers for family practitioner committees to grant an application for an NHS contract only in circumstances where it is considered as necessary or desirable for the adequate provision of services to patients. It carries through an agreement that was made by my predecessor and the industry. The new contract offers many benefits and is a substantial improvement on the current arrangements. Patients will have a service that more accurately reflects their needs, and some of the expected savings will help to finance the development of the pharmacist's wider role. The taxpayer will get some savings and better value for money.

Clause 3 puts beyond doubt the statutory basis for the longstanding and accepted practice of adjusting future payments to NHS contractors to offset past under or over-payments when considering remuneration. That is for general medical practitioners, dental practitioners, opticians and pharmacists.

The Bill has been debated thoroughly in Committee. I think that it has been improved by the amendments that have been agreed during Report and I commend it to the House.

Mr. Dobson: We welcome clause 1 of the Bill in so far as it removes Crown immunity from the food hygiene regulations. However, it does not go far enough and will not have a significant effect unless the Government provide the funds that are necessary for health authorities with inadequate kitchens to bring those kitchens up to scratch. We support in clause 2 the idea of rationalisation of the distribution of pharmacies. I can understand why a number of Government hon. Members are not keen on this proposition. It is because it explicitly recognises that the free play of market forces is worse than useless in determining the best locations for pharmacies. There are communities which want pharmacies but the free play of market forces may mean that they will not get them.

We support the licensing system that the Government are introducing. Even with its disadvantages, the Bill will improve the situation and we look forward to a better local pharmaceutical service. I make again the point I made on Second Reading, that we will never get the full benefit of the usefulness and the skill, training and education of pharmacists until they find some way of separating from the pharmaceutical side of the business the sale of rubber ducks and other such items.

Subject to reservations, we welcome the proposition contained in clause 3 and are glad that the law will be changed so that clawback will mean what it is supposed to mean and will not mean just plain claw, because up to now Governments have allegedly clawed back from contractors money that the contractors never had in the first place. That is wholly wrong and unreasonable and

held to be so in the courts. My final point will commend itself to my hon. Friend the Member for Islington, North (Mr. Corbyn). The Government have introduced legislation that has resulted in a number of elected local councillors being surcharged for the financial consequences of things they have done. Why has no one been surcharged for the financial consequences of the foul-up which led to the Department of Health and Social Services being taken to court and found guilty of wrong-doing by trying to get money to which it was not entitled? If people at one level of government are held responsible for the financial consequences of their actions, then people at central Government level ought to be held responsible. We would rather it was Ministers than civil servants. Subject to all the reservations that we expressed on Second Reading, in Committee and on Report, we broadly support the Bill.

1.59 am

Mr. Neil Hamilton (Tatton): I owe an apology to my right hon. Friend the Minister for Health and to the House, because I was not in my place to move amendment No. 17. That was because I was listening to the persuasive arguments of my hon. Friend the Deputy Chief Whip about why I should withdraw my amendment. The moment to move it arrived and I missed it. Had I the suspicious cast of mind of the hon. Member for Workington (Mr. Campbell-Savours) I should no doubt have suspected a squalid manoeuvre by a Government Whip to muzzle a Back Bencher. As we know that the Whips do not indulge in tricks of that kind and as I have a rather higher view of the purpose of our Whips Office, I did not think that for one moment. The alternatives with which I was left were either to hold a press conference in a Committee room tomorrow morning or to make a speech on Third Reading——

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will not seek to make now the speech that he might have made had he been here to move his amendment. That would not be in order.

Mr. Hamilton: I stand to be corrected, but as I had intended earlier to confine my remarks to clause 2 and what is in the Bill, I believe that what I am about to say will be in order on Third Reading.

The effect of clause 2 is repugnant because it goes counter to the Government's philosophy of reducing state interference, monopoly and bureaucracy. On Second Reading, my right hon. Friend the Minister for Health said that the Bill's overall aim was to develop the pharmaceutical service, which would better satisfy the interests of the patients, the profession and the taxpayer and that the new contract would enable the family practitioner committees to make progress towards a more even distribution of pharmacies, which would better meet the needs of patients without being wasteful of NHS resources. Clause 2 seeks to achieve that by removing the current automatic right of a registered pharmacy to obtain an NHS contract to dispense NHS prescriptions.

We all applaud the Government's policy of getting better value for money in the NHS. Modest cash savings are claimed from what clause 2 introduces. There is plenty of scope within the NHS for making much larger savings than that. Waste is a byword within the NHS because of the absence of market disciplines and the signals which that gives. Therefore, it prevents a rational consideration of priorities.

The savings that I would have preferred to see are, alas, not included in the Bill and we have instead a net saving of, perhaps, £2 million, as the Government claim, for the effect of clause 2. But the price that we shall have to pay for those £2 million in savings, if we accept them, is the effective cartelisation of the pharmaceutical retail sector. My hon. Friend the Under-Secretary, the Member for Wycombe (Mr. Whitney) said on Second Reading that by restricting the right to entry into the retail sector of pharmaceuticals we would not be restricting the establishment of a pharmacist, in practice, because a pharmacist can set up a practice without an NHS contract. I hope that he will not mind if I say that I thought that that was somewhat disingenuous because the average chemist derives 70 per cent. of his income from NHS prescribing and if he is not able to prescribe medicines on the NHS he will not be able to have a commercially viable business and so will not be able to set up.

Therefore, we see the baleful effects of the NHS monopsony on the monopoly among its suppliers which the Bill will create. In this way we shall buttress the inefficiency of the system and in so doing we shall create a new capital asset for existing contractors, one which has been recognised by the Pharmaceutical General Council for Scotland in the propaganda which it issued designed to encourage us to support what the Government propose. It said that the improved security of tenure would reduce the financial risk in the eyes of a bank because a competing pharmacy will be allowed an NHS contract only where it is necessary or desirable and the security of a loan will thereby increase.

The industry and its apologists accept that a capital asset will be created which arises out of the monopoly privilege which the legislation will give. That asset will be paid for, first, by the taxpayer and the consumer through inconvenience, and would-be pharmacists, through not being able to set up in business as a result of the restrictions.

The £4 million gross savings that that will bring about must be seen in the context of the total NHS dispensing budget of over £350 million a year. Even of that £4 million it is proposed to plough back £2 million into the system. But if the number of closures of existing pharmacies which the Minister wishes to encourage exceeds the 300 which it has been claimed will come about, those cost savings will be correspondingly reduced.

In some parts of the system we shall be increasing costs, because it is proposed to create up to 100 new quangos which will be charged with the duty of deciding who will be able to trade as a pharmacist. We shall be substituting the choices of bureaucrats for those of consumers.

Entrepreneurs build businesses by fulfilling a need or filling a gap in the market. The proposals in the Bill will frustrate such developments, because people will need a permit to trade. It will be difficult for the bureaucracy that will administer the system to anticipate future patient needs or the changes taking place in the retailing sector and thereby enable the market to develop and satisfy the consumer.

In effect, we shall be freezing the existing pattern of distribution of NHS dispensaries, inhibit the development of the retail trade and intensify concentration in the industry. There will be a great incentive for firms to

[Mr. Hamilton]

expand by the acquisition of existing pharmacies rather than by setting up in competition and developing new pharmacies to take advantage of the changing demands and desires of consumers.

Several of my hon. Friends think that a Conservative Government should not be going along that road. The Minister claims that there is general support in the industry for the move that he has made. The local pharmaceutical committees contractors' conference in June 1985 overwhelmingly supported the Bill, but that is not surprising, because the conference is entirely comprised of existing contractors and they will acquire a capital asset and the competition to which they will be subject in future will be reduced. They have passed a resolution in support of the Government's proposals, but we can say, "Well they would, wouldn't they?"

Company chemists, comprising 1,500 pharmacies, have come out against the proposals and between 2,000 and 3,000 independent pharmacists who are supposedly represented by the Pharmaceutical Services Negotiating Committee are also against the Bill. In addition, the 34,000 or so members of the Pharmaceutical Society, who might wish to set up in business one day, are not represented by industry representative bodies and had no opportunity to vote or express an opinion. The president of the Pharmaceutical Society has attacked the proposals. He said:

"They have struck at the basic structure and operation of the entire pharmaceutical profession."

We might have chosen an alternative way to achieve the savings that we want to make in the system, but, alas, the Government have not chosen to go down that road. In 1984 the Pharmaceutical Society, the Rural Pharmacists Association, the Pharmaceutical Services Negotiating Committee, the National Pharmaceutical Association, the Co-operative Pharmacy Technical Panel and the Company Chemists Association proposed that by financial incentives and disincentives——

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman is not seeking to make the speech that he might have made on Second Reading or at an earlier stage in our proceedings. He must address himself to what is in the Bill.

Mr. Hamilton: I believe that I am confining myself to what is in the Bill——

Mr. Deputy Speaker: Order. The Chair got a different impression, so I hope that the hon. Gentleman will follow my guidance.

Mr. Hamilton: I shall follow your guidance with pleasure, Mr. Deputy Speaker.

I was seeking to explain why clause 2 is misguided. It contradicts what I believe to be highly beneficial principles of economic policy that the Government have embarked on introducing in other areas and, in that context, the proposal is mistaken.

I am aware that the hour is late, and I shall not expatiate upon that at great length, but in the clause the Government have indulged in a flirtation with Socialism, which has led us into a shotgun marriage. We have seen this all before. On prices and incomes policies, we embarked upon one system of regulation, which was doomed to failure, which encouraged us further down the road to regulation and which achieved the opposite of what we intended. We have seen it in relation to milk quotas in the common agricultural policy——

Mr. Deputy Speaker: Order. There is nothing in the Bill about milk quotas. I hope that the hon. Gentleman will stick to what is in the Bill.

Mr. Hamilton: I was seeking to draw an analogy which is directly relevant to the system of regulation which the Bill will introduce. What we have seen elsewhere is what we shall see in relation to the provision of pharmaceutical services if the Bill becomes an Act. Costs will become insupportable within a nationalised Health Service, and th need for bureaucratic controls rather than market pricing, as we have had with milk quotas, will reduce consumer choice and increase costs to the taxpayer.

We have supped with the devil on this occasion. Instead of using a long spoon, as we should have done, we have been spoon-fed by the devil. I hope that when the Bill is considered in another place, their Lordships will do what they did last year on the Law Reform (Miscellaneous Provisions) (Scotland) Bill and remove the clause, the better to provide for the needs of consumers and taxpayers.

2.11 am

Mr. Kennedy: Clause 1 is still drawn too narrowly and is too limited in its objectives and, therefore, its effect, although its provisions are welcome in their own right. It is a shame that the Government did not take this legislative opportunity to go further. I hope that their Lordships will try to extend the provisions of clause 1 and remove Crown immunity from hospital premises generally.

The Minister did not answer satisfactorily the point made earlier about the way in which the new contract for pharmacists and the right of entry into the NHS contracting base will operate. It has frequently been argued that there is bound to be considerable disquiet among unsuccessful applicants because of what many of us regard as an inadequate appeals mechanism. The Minister promised further discussion on the matter. In the context of clause 2, his remarks were a little woolly. He said that representatives of the pharmaceutical profession could make submissions to him, but he did not give the sort of commitment which we wanted: that he will sit down and discuss with the elected representatives of the profession the appeals mechanism that could be introduced. The Governmemt must give more attention to that matter than they have so far. I hope that the concept of an independent appeal will commend itself to Conservative Members in another place, who tend to be more fair-minded than those who operate from the Conservative Benches in the House of Commons.

On clause 3, the Government are not just storing up trouble, but amassing further power for themselves, although they have stressed that they have no intention of using it. I cannot understand why the Government are taking those powers in the first place if they do not intend to exercise them. That is not the normal practice of Government. However, they claim that they will not try on again their efforts to recoup what they identify to be excessive and unreasonable profits, as happened dramatically last year over the NHS dispensing costs associated with opticians.

The Government had to legislate only because they were taken to court over the considerable sums involved.

and were found to be acting illegally. It is particularly ironic that, because of an unfavourable court ruling, the Government have introduced the clause, but, to assuage hon. Members and the contracting professions in the NHS, they have informed us that they do not intend to use the very powers that they have gone to such lengths to grant themselves. We look on that aspect of the Bill with some dubiety.

In some of its provisions, the Bill is sensible. I think for example of the abolition, as far as it goes, of Crown immunity and of the recognition that there is a need for a rational distribution of pharmacies. However, the Bill does not go far enough, or indeed fairly enough in some respects, towards meeting some of the legitimate and sensible anxieties that have been expressed. We shall not oppose it tonight, but we hope that it will be improved further in the other place.

2.16 am

Mr. Michael Forsyth: I have no intention of detaining the House. I appreciate the lateness of the hour, but I should like to support the arguments — without repeating a single one of them—put by my hon. Friend the Member for Tatton (Mr. Hamilton)

It is a tragedy that the arguments that some of us made on Second Reading were not pursued in Committee. We are having to consider them at a very late hour when we are under some pressure. The Bill uses public money to ensure the closure of hundreds of small businesses round the country. It rejects competition by allowing pharmacy practice sub-committees to maximise the distance between dispensaries to one kilometre. It sets up more than 100 new quangos and gives no indication of the cost of doing so or of how they will be serviced or will obtain the information that they will need about demographic changes and changes in the nature of their community in order to make their decisions. The Bill will literally destroy thousands of full and part-time jobs. It will diminish choice and force up prices as it will reduce competition for goods sold in chemist shops.

The Bill will do all of those things, and seems to be quite against the basic priciples that I would expect from a Conservative Government. I am sorry that those arguments have not been given proper scrutiny during the Bill's passage in the House, and I look to my noble Friends in the other place to make it a better Bill, and one more fitting for a Conservative Administration to introduce.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Procedure and Ways and Means Motions

Mr. Deputy Speaker (Mr. Harold Walker): I understand that motions Nos. 2 to 11 are not to be moved.

2.26 am

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Deputy Speaker. May we clarify the position? On the Order Paper there are 10 Procedure and Ways and Means motions, and, as I understand it, the House is entitled to debate each separately and to divide on each—

Mr. Deputy Speaker: Order. The motions are not being moved. It is 2.20 am, and it is showing.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting of Wednesday 11th June, notwithstanding the provisions of Standing Orders No. 3 (Exempted Business) and No. 4 (Prayers against statutory instruments &c. (negative procedure)), if proceedings on the Motions in the name of Mr. Secretary Fowler relating to Social Security and on the Motion in the name of Mr. Neil Kinnock relating to Housing (S.I., 1986, No. 852) have not been previously disposed of, Mr. Speaker shall at Seven o'clock put forthwith any Questions necessary to dispose of them.—*[Mr. Biffen.]*

Private Members' Business

2.27 am

Mr. Terry Davis (Birmingham, Hodge Hill): On a point of order, Mr. Deputy Speaker. May we ask the Leader of the House for a statement? The Opposition are expecting him to make a statement about matters that were raised earlier today—or, in fact, yesterday. We were given to understand that the right hon. Gentleman had come to the House at this late hour to make a statement about business. We are hoping to have that before we leave the House.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Further to that point of order, Mr. Deputy Speaker. I understand that discussions are still proceeding.

Mr. Davis: Further to that point of order, Mr. Deputy Speaker. Discussions usually take place through the usual channels. I am advised that discussions are not proceeding through the usual channels. It is the Opposition's understanding that the discussions had been concluded, to the satisfaction of both the Government and the Opposition. I understood from our half of the usual channels that we were not only to expect a statement from the Leader of the House, but that it was to be a most satisfactory statement.

If necessary, these discussions will have to proceed with the utmost dispatch, because I am sure that there is a limit to the time that you will allow me to make such points of order, Mr. Deputy Speaker.

I believe that the usual channels have now been unblocked and that some communication is being made to the Leader of the House. I hope that, even now— *[Interruption.]* I note that the right hon. Gentleman is about to come to the Dispatch Box.

Mr. Biffen: I understand that discussions are proceeding. Perhaps a Dyno-rod is a useful instrument from time to time, but all I can say is that just at the moment I have nothing further to add.

Rural Bus Services

Motion made, and Question proposed, That this House do now adjourn.*[Mr. Maude.]*

2.24 am

Mr. Geoffrey Dickens (Littleborough and Saddleworth): I sought to secure an Adjournment debate on rural bus services because I felt that, although the Government are past masters at introducing sound legislation, I was not at all sure that they are past masters at selling some of it to the general public. I often feel that we have lost the propaganda war on rural bus services.

Littleborough and Saddleworth is a collection of small towns and villages nestling in the Pennines on the outskirts of Rochdale and Oldham. These villages rely very much on—*[Interruption.]*—public transport——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I ask hon. Members who wish to have private conversations to conduct them outside the Chamber.

Mr. Dickens: As I was saying, Mr. Deputy Speaker, the villages in my constituency rely heavily on public transport. That is especially so for the elderly, who have no vehicles of their own. This being the position, I was greatly disturbed during the local elections when Opposition parties made it their business to circulate misinformation and indulge in scaremongering by pushing leaflets through the letterboxes of my constituents, which were disgraceful and in many instances entirely untruthful. One example bears the headline:

"Prepare for the worst. Your local bus may soon disappear."

It sets out all the instances where routes have not been registered.

The Government's deregulation legislation was carefully designed. One of the major objectives—this must be said, as it is no good mincing words—was to save taxpayers' money. In the old Greater Manchester council area it was costing £30 per head of population per year to run the bus services. In many of the shire counties it was costing only £5 on the same basis. That was crazy and there was a tremendous drain on the taxpayers and ratepayers in my constituency.

When the Opposition parties were telling the elderly in the villages in my constituency that they would lose their bus services, they neglected to tell them that in place of the large, single-decker bus that used to run infrequently to the villages, at times not linking passengers with the return buses for two hours, which meant that they had to spend a long time in the freezing cold or enter a cafe for a cup of coffee, for example — it was a deplorable service about which they were always grumbling—it would be possible for operators with taxis and minibuses to tender for the routes which other operators found less favourable.

Without question, the more profitable-looking routes have been tendered for and secured by the deadline. D-day for the buses to come into the new system is 26 October, at which time the small operators may be invited to tender for the less profitable routes. If they win the routes in proper tender the Government have made available £20 million in subsidies for rural transport areas. The operators will be able to take advantage of cheaper prices for diesel and petrol. In addition, the leaflets neglected to state that arrangements can easily be made for concessionary passes to be used for taxis and minibuses.

These issues must be brought to the attention of the public.

Mr. Tom Sackville (Bolton, West): In Bolton, which is not far from my hon. Friend's constituency, there has been a mischievous and misleading campaign — especially frightening for the elderly — about bus services being withdrawn later this year. No mention has been made of the considerable subsidy that will be available and of the considerable saving that can be found. All in all, that has been misleading. I am certain that it will turn out that no necessary, and certainly no socially necessary, bus routes will be withdrawn, and many of those fears will turn out to be ill-founded.

Mr. Dickens: I am obliged to my hon. Friend. That is the point that I am making.

The small operators can bid for those routes until 26 October. If they secure them, they have to give a guarantee that they will run them for a minimum of three months, so that there is security for the villagers. If they drop out, others can take their place. If we reach D-day for buses — 26 October — and the local passenger transport authority has not gone to the trouble of putting the routes out to tender, people can just take on those routes. I could get my lads to drive minibuses, if I wanted, or unemployed people could start a transport company of their own, as long as they maintained the high safety standards that we would continue to expect.

All in all, there are many frightened people in the villages. When one lives in a village, one is pretty isolated, and villages die without transport links. Even the youngsters start to move away if they do not have the proper transport, village to village, and village to town and back for major shopping. The matter is critical.

One can understand how the Conservative party took such a thumping at the two by-elections, because the local buses became a big issue. All the misinformation, scaremongering and myths created were ingredients for winning votes. One wins votes by fanning anxieties. If one can introduce an anxiety into somebody's mind, one confuses the person. He feels, "For goodness' sake, if the Conservatives are going to leave us without buses, I had better vote for one of the other parties." We were left in a vulnerable position, which was reflected in the opinion polls, which then started to reflect on the local government elections. So rural buses was a big issue, bigger than I think Her Majesty's Government realised. We lost the propaganda war because we did not sell our excellent policy.

I have said locally that what we are seeking to do is provide a more regular service with tailor-made vehicles of the right size, perhaps running more frequently, at sensible prices. They can take advantage of subsidies and low petrol costs. Concessionary passes can be used on those smaller vehicles. That can be done if the routes are secured through competitive tender.

It is time that we spoke up about the matter and started to sell our policies. I feel deeply that it is no good putting forward sound, sensible legislation in the House and then failing to explain in careful detail to the public exactly how it will affect them. I felt that the misinformation was a disgrace, so I applied for this Adjournment debate so that at long last we could start to forge through and win the propaganda argument and sell an excellent scheme. I hope to see the small buses running in and out of my villages

with great frequency, to the town centres and between the villages, as they are in many parts of the country, happily and successfully.

2.33 am

The Minister of State, Department of Transport (Mr. David Mitchell): My hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) has admirably redressed the balance in the argument about rural bus services, and I am grateful to him. For far too long we have had one horror story after another put about by the Government's critics.

My hon. Friend referred to leaflets that were put out during the local government elections. My hon. Friend the Member for Bolton, West (Mr. Sackville) referred to problems in his constituency, where similar leaflets and attempts to deceive people have occurred. It must be a matter for great regret that the hon. Member for Ryedale (Mrs. Shields) is not here. If she had been, we would have been able to hear whether she just did not understand the bus legislation when she made it such a central part of her election campaign, or whether she did understand it and knowingly deceived her constituents into believing, as the propaganda that went around at the time suggested, that if services had not been registered, people would be without a bus service.

My hon. Friend the Member for Littleborough and Saddleworth has given us an opportunity to redress the balance. Party politicking is one thing, but frightening the elderly by deceiving them into believing that they will have no bus service is quite another. It is wholly reprehensible when parties play politics on the worries of the elderly.

To listen to people, one would think that we deliberately set out to do as much harm as possible to people who live in towns and villages and who depend on bus services to get around. One would also think that those bus services were doing quite well until we disturbed them. The facts, of course, are very different. There is a sorry tale of 30 years of decline. Our policies must be seen in their true historical context.

During the past 30 years, there has been a steady decline in bus services, especially in rural areas—rising fares have helped to create that—and a loss of passengers. Bus services have operated at a loss in their thousands. They have been cut, and villages have been left without services. Sunday services have been cut and there has been chronic decline. If anyone doubts that, they should ask the 10,000 National Bus Company employees who have lost their jobs what they have to say about the past decade.

During the past 10 years, subsidies have risen from £83 million to a massive £558 million. My hon. Friend spoke of reducing the subsidy as one of the Government's primary objectives. That is not so. The Government are trying to stem the decline. We accept that chucking money at it does not resolve the problem. If it did, the problem would have been resolved.

Our purpose is not to cut expenditure in the Transport Act 1985. We estimate that the £100 million spent in the shire counties is about the right amount. It is quite true that expenditure in the metropolitan counties has been wildly in excess of what any reasonable person would judge to be right and proper. There are mechanisms for cutting extravagant local government expenditure other than the bus legislation. Saving money and reorganising bus services are two separate matters.

The decline in bus services has been due partly to the growth of car ownership, but local monopoly and lack of competition have been enormously important in stifling innovation and enterprise. A fresh approach is urgently needed to to adapt to changing patterns of passenger demand. In his admirable speech, my hon. Friend talked of a large bus and frequent service. That is an example of how local monopoly has inhibited change and innovation to meet the market. We see passing our doors double-decker buses carrying only a couple of people, when people want more frequent services of smaller vehicles, which more nearly match the size of the market. If there are only two people, it is much cheaper to carry them in a taxi operating as a bus service.

My hon. Friend and I both recognise the tremendous need for bus services, especially in rural areas. Many people do not own a car and many families own only one car, which is used by the breadwinner to travel to work, leaving the rest of the family dependent on buses for the rest of the day. Our concern for such people is a major influence on our policy for deregulation. The 1985 Act was introduced to stem the ongoing chronic decline which year by year produced fewer buses to serve our rural communities.

As my hon. Friend is aware, the first phase of transition to competitive and deregulated services was passed on 28 February, when operators had to register those services which they intend to operate commercially after "deregulation day", which is 26 October. Unfortunately, owing to much irresponsible scaremongering from people who should know better, it is still necessary for me to stress that the registration of commercially viable services by 28 February was only the first stage in the abolition of road service licensing. My hon. Friend has given some examples of this black propaganda. Not so long ago, people were predicting that disaster would strike on registration day, with only a small fraction of existing services surviving the test of commercial viability. In fact, 75 per cent. of existing services have been registered.

That is an immensely encouraging result, when one considers the high level of blanket subsidies now being paid. Obviously, when we point out that the cup is three quarters full, there will always be those who try to turn that against us by complaining that it is one quarter empty. But local councils will now fill up that one quarter. They have the resources and the opportunity to do so. Anybody who has been led to believe that services which have not been registered will not be run have been deceived by those who suggested that.

Councils are at present considering which of the missing services they should direct their considerable sums of subsidy to purchasing. The new system of competitive tendering for local authority subsidy will ensure that local authorities will get more services for ratepayers' money than previously.

Only last week the newspapers reported that the Highland region—not an area which one would expect to produce a great deal of competition for tenders—has already reported savings of £179,000 of ratepayers' money. That is an encouraging, but not unexpected result which augurs well for the rest of the country.

Local authorities have sufficient funds to support socially necessary services, and the new requirement to go out to tender for services which need financial support will ensure that they obtain better value for money and can make their funds go further.

[Mr. David Mitchell]

For many rural services, minibuses, shared taxis and other unconventional solutions will suit local circumstances far better than a double-decker bus running down country lanes with only a few people on it. Indeed only last week I read that a new taxi bus service which has started in Somerset and replaced a conventional service, has been so successful that the operator is considering extending it. We hope to see many other taxi and minibus firms tendering for services or, even better, running them commercially.

Now that the registration network is known, there may be cases where people can see that there is a service that the lower operating cost of the smaller vehicle could make commercial. Although the registration date is passed, I would like such people to know that they still have an opportunity to seek a registration of such a service with the consent of the county council or the PTE. There is plenty of scope for new services to come in, and I hope that they will do so on the routes on which nobody has yet registered a service under the registration opportunity.

I can illustrate the sort of things that might happen. I understand that some 70 taxi-operated local services have already been registered to run from October. My hon. Friend will have seen the series of leaflets that we have already produced, and distributed widely. We have a further leaflet and booklet called "Getting on the Road", which we shall publish very shortly, offering advice to people contemplating setting up a bus service for the first time. Once we have got past the transitional period, which is necessary to ensure a smooth transition from licensing to registration, operators will be able to register services to start at any time from 26 January 1987 onwards with just 42 days' notice.

In this context, operators do not need to ask the consent of anyone to do it. They register their service, and provided that they have an operators' licence, with 42 days' notice, they can go ahead. We have already seen evidence of the enterprise which deregulation has introduced in Brighton, where taxi operators are planning to run a circular taxi-bus service to outlying suburbs late at night, and in Hampshire, where Hampshire Bus has reversed past thinking by increasing the frequency and using smaller vehicles on loss-making services in the Hythe area instead of giving up and reducing frequency. In many parts of England—in country towns such as Taunton and Exeter—as well as bigger cities, we are seeing minibus services spring up, giving the sort of frequent, rapid services that customers deserve.

My hon. Friend made a point about the transitional rural bus grant. We realise that it will take longer for the financial benefits of competition and tendering to work through in rural areas than in town and cities where the scope for competitive services is greater. Therefore, we have introduced the transitional rural bus grant, which will be worth £20 million in the first year, reducing gradually during the next three years. In the first year, the current year, operators of most local bus services will receive 6p for every vehicle mile they run in rural areas. That can tot up to a considerable sum. In addition, they get the fuel duty rebate, which is 74·5p per gallon for diesel and 88p for petrol. This demonstrates the Government's very real commitment to supporting existing rural services and encouraging new ones.

Just so that we have it clearly on the record, I point out that these sums are in addition to the subsidy that can come on a tender. The county councils and the PTEs are now in the process of preparing invitations to tender for socially necessary services for which any operator with a licence can put in a bid. If he gets that bid, and the route is in a rural area, he will get not only his 6p a mile, and on top of that his fuel duty rebate, but on top of that, a monthly cheque from the county council or the PTE for the agreed contract price for providing that service. This adds up to an attractive package which should be more widely known.

To help rural communities take advantage of the opportunities provided by the new services, we are providing the Development Commission with £1 million a year for innovative ideas and to help to get new services off the ground in the rural areas.

In conclusion, I share my hon. Friend's concern at the campaign of distortion and innuendo which is designed to alarm people unjustifiably and to turn them against our policies before they have been given a chance to work. Our opponents have had a field day because the transition to deregulation has left a period of uncertainty before local authorities have made known their decisions on subsidies and contract services.

I am confident that our opponents will be proved wrong. The proof of our policies will come after deregulation day on 26 October. People will see that their local bus networks have not disintegrated as the Jeremiahs predicted. They will see the benefits of deregulation in terms of competition in fares, wider choice on popular routes and innovative minibus and taxi services which will cater for their needs better than before. We shall win the argument where it counts—among the bus passengers in our cities, towns and villages. I am grateful to my hon. Friend for giving the House this opportunity to discuss these matters, even at this hour.

Perhaps when the next election comes around or when, in the autumn, services do not disintegrate as our opponents have predicted, some people may be courageous enough to stand up locally, to be reported in their local paper, possibly with banner headlines as were used in the scare stories, and say that they deceived people. Perhaps they will then accept that we have brought to an end the reduction in bus services which has been such a feature of recent years.

Question put and agreed to.

Adjourned accordingly at nine minutes to Three o'clock.

House of Commons

Tuesday 10 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SCIENCE

Universities (Funding)

1. **Mr. Willie W. Hamilton** asked the Secretary of State for Education and Science if he will make a statement on future funding of United Kingdom universities, with particular reference to research and staff salaries.

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): As my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) announced on 20 May, the Government are willing to consider some additional funding for the universities provided there is clear evidence of progress in implementing necessary changes. These include the development of the policy of selectivity and rationalisation, better financial management and improved standards of teaching. Any new structure for academic pay will have to provide the necessary flexibility to enable institutions to recruit and retain staff of the required quality.

Mr. Hamilton: Is it not a shocking thought that after seven years of Conservative Government there should be talk about the possibility of closing one or more universities in this country? Does the Minister recognise that in the past seven or eight years the eight Scottish universities have suffered a cut in their financial resources overall of over 10 per cent. in real terms and that in the forthcoming academic year all of them will suffer substantial cuts? Will he give an undertaking on behalf of his right hon. Friend the Secretary of State that they will fight like tigers in the Cabinet for increased resources? A sickly smile will be no substitute for that.

Mr. Walden: I know of no plans to close universities. As for the position in Scotland, the University Grants Committee does not discriminate geographically.

Mr. Batiste: Does my hon. Friend agree that while it makes sense to link research funding to the excellence of that research, it necessarily implies that there must be fair criteria for selecting the quality of research and a fair method of appeal for those who disagree with the category within which they have been put?

Mr. Walden: My hon. Friend makes a fair point, but I draw his attention to the fact that these judgments were not arrived at haphazardly. They were arrived at not only by the UGC, but in consultation with the Royal Society, research councils, medical charities, other learned bodies and other very distinguished individuals. Therefore, I stress that the judgments were not arrived at lightly.

Mr. Freud: Is the Minister aware that poor pay and chances of promotion are the major factors affecting recruitment into universities? Does he accept that lecturers and vice-chancellors agree that there is a 24 per cent. fallback in cash? What will he do about it?

Mr. Walden: I shall not weary the House with the arguments about the so-called 24 per cent. cut in pay. I am looking to the future on this question, as I hope the hon. Gentleman will, too. As indicated by my right hon. Friend the former Secretary of State for Education and Science, we hope that the university authorities, vice-chancellors and the Association of University Teachers, will come up with some movement in the areas of flexibility, structure and appraisal, which will enable us to look again at academic pay.

Mr. Michael Forsyth: Is my hon. Friend aware that the institute of agriculture at Stirling university, which has managed to raise more than £1 million of outside research funds, has a gold medal and has won two international prizes in the past three years for its research, has been described by the UGC as having a research department of average calibre and that, instead of having applied research, it might merge with the biology department? Is he satisfied that these people are able to make objective decisions, because, rather like the experience of my hon. Friend the Member for Elmet (Mr. Batiste), there is widespread concern about this and no means of appeal?

Mr. Walden: I should like to make it clear that the judgments of research quality do not reflect judgments of whole universities. For example, they do not take account of teaching. They are judgments made department by department. I go back to what I said earlier. If my hon. Friend does not expect the list of impressive institutions and individuals to which I referred to make those judgments, who else can do it? Certainly not the Government.

Mr. Radice: Why, after the Prime Minister's pledge at the 1983 election that the real level of university funding would be kept level, was the current grant cut by 5 per cent. in real terms last year and why, in the coming year, do universities face a cut of 2 per cent. in real terms?

Mr. Walden: Again, I invite the hon. Gentleman to look forward and not to hark backwards. I draw his attention to the fact that serious, positive and forward-looking discussions are currently taking place between the vice-chancellor and my Department.

Schools (Text Books)

3. **Mr. Evans** asked the Secretary of State for Education and Science what representations he has received on the report of Her Majesty's Inspectorate about the provision of text books in schools.

The Minister of State, Department of Education and Science (Mr. Chris Patten): My right hon. Friend has received no representations on what Her Majesty's Inspectorate has to say about the provision of text books in his recently published report on "The Effects of Local Authority Expenditure Policies on Education Provision in England". He has offered to discuss the report as a whole with local authority elected members.

Mr. Evans: Does the Minister acknowledge that the HMI report on Britain's schools confirms what many

parents and teachers have been saying for a long time—that most state schools in England are desperately short of books and equipment? Does he further acknowledge that the new Secretary of State will have a mammoth task on his hands and will need much more public money if he is to correct that state of affairs before the next general election, when education will undoubtedly be a major topic?

Mr. Patten: I hope very much that education will be a major topic at the next election. I am bound to say that I do not think that it will redound to the credit of the Opposition when it is. The hon. Gentleman has been even more selective in referring to the HMI report than I had anticipated. The report is unequivocal, that in the majority of cases lack of money is not the main reason for shortages. The HMI report says:

"In nine-tenths of schools—

Mr. Evans: What about books?

Mr. Patten: The report says:

"In nine-tenths of schools it was the inadequate identification by teachers of pupils' educational needs and poor management of resources which were more telling factors than the level of capitation."

That goes for books, too.

Mr. Pawsey: Will my hon. Friend confirm that HMI said that more money and resources would not resolve all the difficulties in our schools? As a practical example, does my hon. Friend agree that in the Inner London educaton authority more money has been chasing a reduction in the quality of education?

Mr. Patten: As ever, my hon. Friend is accurate in what he says. If money guaranteed the delivery of quality, as I have said before, the standards in ILEA would be second to none. Unfortunately, that is not so.

Mr. Flannery: Is it not a fact that the revelations of the HMI report have alarmed the Government so much that the one for 1985 will be the last such report?

Mr. Patten: We have not seen the last of those reports. I am delighted that this Government actually publish them. If the previous Government had published those reports, they would have shown that between 1975 and 1979 spending per pupil on books and equipment fell by 6 per cent. in the primary sector and by 8 per cent. in the secondary sector in real terms.

Mr. Greenway: Does my hon. Friend acknowledge the need to get the right balance between the number of teachers and books used by pupils? Does he recognise that there are more teachers per pupil than ever before and that perhaps the provision of more books is needed in some areas? Will my hon. Friend also remember that modern technology has taken the place of many books, and that should be taken into account?

Mr. Patten: As my hon. Friend points out, local education authorities have often chosen to spend more money on equipment than on books. Anyone who looks at the figures for books and equipment can see that trend over the past few years.

Mr. Radice: Does the Minister accept that the HMI report is a clear warning to the new Secretary of State that inadequate levels of provision are threatening standards? If he doubts my word, he should look at paragraph 98. Does he agree that more resources and investment in education are now desperately required?

Mr. Patten: On a number of occasions, both in the House and outside, I have made it clear that if we wish to accomplish all our educational objectives we shall have to see more investment in the education of each child. I have said that again and again, and even on television in the presence of the hon. Gentleman. The hon. Gentleman should recognise that the HMI report makes it absolutely clear that it is important in the education service to make the best use of the resources that we spend. If we do that, we put up a better case for more resources in future.

Mr. Lord: Does my hon. Friend agree that it is now vital that all schools should publish annual accounts so that everyone can see precisely what is spent under every individual heading, including text books?

Mr. Patten: Yes. I invite my hon. Friend to take part in this afternoon's debate on the Second Reading of the Education Bill. I am sure that what he says on that will receive a warm response from me or my right hon. Friend.

Advanced Further Education (Funding)

4. **Mr. Kirkwood** asked the Secretary of State for Education and Science if he has any plans to increase funding for the advanced further education pool for 1986-87.

Mr. Walden: No, Sir. The advanced further education pool for 1986-87 was determined in November 1985 by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) at £661 million. That represented an increase of 6 per cent. over 1985-86.

Mr. Kirkwood: In the light of the recent survey of employers' demands for graduates increasing by 4 per cent. annually, will the Government take an early opportunity to respond to the National Advisory Board's plans to reduce polytechnic intakes by up to 9,000 places? Is the Minister not now in danger of repeating mistakes that he has already made in universities in the public sector?

Mr. Walden: The allegation that the Government have a policy of cutting places at polytechnics was rubbish two months ago and it is rubbish today. There has been a great deal of selective quotation from the HMI report, and I, too, would like to make a selective, but truthful, quotation:

"Advanced further education still has some scope to provide for some further increases in the total numbers of students."

That completely undermines the proposals put around by the NAB secretariat and completely supports the Government's point of view.

Mr. Shearman: Will the Minister come clean? The fact is that the NAB secretariat, working on figures from his Department, is planning for a cut in the number of students at polytechnics of 9,000 to 10,000. That will mean even less opportunity for young people seeking higher education. Will the Minister announce more money so that these dreadful cuts will not take place?

Mr. Walden: I understand that the hon. Gentleman must go through all that again, but it becomes rather tiresome for us after a while. I invite him to read carefully the HMI local authority expenditure report, not on schools, but on AFE provision. The increase of 6 per cent.,

which I mentioned in my initial answer, which the public sector of higher education has enjoyed this year should be set against a projected inflation rate of 3·75 per cent.

Deaf-Blind Children

5. **Mr. Ashley** asked the Secretary of State for Education and Science when he intends to publish the consultation document about the education of deaf-blind children.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): A draft consultation paper was circulated for comment on 1 May to the local authority associations, voluntary bodies and other interested parties. A final version will be issued to local education authorities, schools and other relevant bodies after the consultation exercise has been completed.

Mr. Ashley: Is the Minister aware that the consultative document acknowledged some important facts about deaf-blind children? First, it is difficult to make local authority provision for them becuse of their numbers. In some cases it is impossible to do so. Secondly, many of them are inappropriately placed in mental handicap schools. Thirdly, most of them have no communication whatever. They are deaf and blind, living in a world of total silence and darkness. However, the Government have produced a consultative document which is a scandal and which has been condemned by Sense — the organisation for deaf-blind children — and by parents. Does the Minister accept that the only answer is nationally co-ordinated provision? Will he take away this rotten document and rewrite it to ensure that there is proper provision for these children?

Mr. Dunn: As the right hon. Gentleman is aware, the placement of deaf-blind children, like any other children with special needs, is a matter for the local education authorities. It is true that we do not know how many children should be classified as deaf-blind. One of the objects of the consultation exercise is to clear up the terminology and establish a basis for estimating and for action.

Mr. Robert Atkins: Is my hon. Friend aware of the proposed closure of the Derby school for the deaf in Preston, at which some of my constituents have children? Is he further aware of the campaign to save this much needed and much valued facility in central Lancashire? Will he do all he can to ensure that this particular sort of education is continued for those who need it?

Mr. Dunn: I am aware of this campaign and I know how hard my hon. Friend the Member for South Ribble (Mr. Atkins) has worked for it. I invite him to come and see me to discuss how this provision can be maintained or improved.

Mr. Corbett: Will the Minister give the House an undertaking that, at the end of the consultation period, he can guarantee that sufficient funds will be available to ensure that there are enough qualified teachers for the deaf and blind in every part of the United Kingdom?

Mr. Dunn: There are at present no training courses especially for teachers of deaf-blind children. I believe that the future training needs of such teachers ought to be considered, and that is presently under consultation and review.

Mr. Pawsey: What representations has my hon. Friend received from the National Deaf Children's Society regarding the training of teachers? What are his proposals for improving the training of such teachers?

Mr. Dunn: My right hon. Friend the former Secretary of State for Education and Science attended a meeting of Sense on 20 March. The training needs of teachers of pupils with profound multiple learning difficulties, and, in particular, deaf-blind children, will be reviewed in the light of the consultation process which is now taking place and will end, I hope, on 16 June.

Mr. Bruce: Following that last reply, when the Minister is considering his response to the report of the Advisory Committee on Supply and Education of Teachers, which proposed that the initial training for teachers of the deaf should be phased out, will he ensure that an adequate supply of trained teachers coming forward from in-service training is maintained?

Mr. Dunn: I can and will give an undertaking that we shall do our best to achieve that end.

Local Education Authorities (Resources)

6. **Mr. Lawler** asked the Secretary of State for Education and Science what plans he has to re-distribute resources from those local education authorities with surplus capacity of school building accommodation.

Mr. Dunn: The Government's plans for local authority expenditure on education assume that authorities collectively will remove surplus places in line with Government targets. The grant entitlement of individual authorities is not directly related to occupancy of school places but will reflect changes in pupil numbers.

Mr. Lawler: Is my hon. Friend aware that we have a serious problem in Bradford? There is a growing school population and a third of school buildings are over 83 years old. That has led to overcrowding and a bad state of repair in many places. Will he take action to ensure that the £700 million, which was recently identified by the Audit Commission as being wasted on maintaining surplus capacity, is redirected to places like Bradford, where £17 million is needed to clear up the backlog of repairs?

Mr. Dunn: I look forward to visiting my hon. Friend's constituency of Bradford, North later in July. I recognise that much of Bradford has basic need problems because of a rising school population. That is why the authority has received the second largest capital allocation of any of the metropolitan authorities in each of the last two years. I look forward to seeing for myself the problems raised by my hon. Friend.

Mr. Madden: When the hon. Gentleman visits schools in Bradford, will he go to the one which was recently visited by the city's director of education, where he had to carry an umbrella inside because the roof was leaking so much? Will he also find the £1 million which is necessary to repair electrical faults in the city's schools and do something about providing more money so that more than three schoools can be redecorated this year? On that basis, it means that schools in Bradford get redecorated only once in every 100 years?

Mr. Dunn: I thank the hon. Gentleman for that helpful question. Progress in removing surplus places is a key to

improvements in provision for repairs and maintenance. If authorities can remove places in the worst state of repair, maintenance staffs will have more time for the premises for which there is a continuing need.

Mr. Andrew MacKay: Is my hon. Friend aware that in areas such as Berkshire, where there has been a rapid increase in population, which has led to a grave shortage of accommodation in primary schools, we look with amazement and envy at other authority areas where there seems to be so much surplus accommodation which is being wasted?

Mr. Dunn: Authorities' grant entitlement is not directly related to the occupancy of school places, but will reflect changes in pupil numbers. If my hon. Friend would like to write to me on that point about Berkshire, I shall look into it.

Universities and Polytechnics (Resources)

7. **Mr. Dubs** asked the Secretary of State for Education and Science what recent representations he has received about resources for universities and polytechnics.

The Secretary of State for Education and Science (Mr. Kenneth Baker): I have received representations from the University Grants Committee, the National Advisory Body for Public Sector Higher Education, institutions of higher education, hon. Members and other bodies and individuals.

Mr. Dubs: Will the Secretary of State confirm that Birkbeck college of the University of London, which caters for 3,000 part-time students, is facing a cut of 35 per cent. in its grant this year — the largest cut facing any university institution in the country? Will he further confirm that it will be virtually impossible for the college to survive a cut of that magnitude? Does he care?

Mr. Baker: Birkbeck's grant for 1987-88 has yet to be determined. The UGC makes a block grant to London university and it is for the university court to decide how that is allocated between its constituent colleges. The UGC's weighting nationally for part-time students is only one of the factors that the court will need to consider. I understand that the UGC is visiting London university tomorrow, and I am quite sure that the funding of Birkbeck college will be one of the issues discussed.

Mr. Cormack: Does my right hon. Friend, who I am sure we all welcome to his post, have confidence in the competence of Britain's vice-chancellors? If so, can he tell us how many of those vice-chancellors are happy with the recent allocations?

Mr. Baker: Yes, I have confidence in some. [HON. MEMBERS: "Name them."] I cannot name them all yet. I do not know them all yet. I know some, and those I have met seem decent chaps. I have already met the Committee of Vice-Chancellors to discuss a matter to which I shall refer in my speech later today. During the next few months I shall be meeting many of them and the UGC to discuss the level of university funding.

Mr. Fatchett: Does the Secretary of State agree that it seems somewhat strange that the allocation of resources by the UGC to university departments is on the basis of research only, and that there is no reference to teaching? Is it not strange that we can have a section of the education system in which there is no regard whatever to the standard of teaching?

Mr. Baker: The recent report of the UGC on the relative merits of various types of research is a very interesting document. There was an exchange earlier about how it should be assessed. I agree with the hon. Gentleman that the document does not take account of teaching by universities. That must be considered in the full roundness of the funds that are available to universities.

Mr. Latham: Following the speech by the Under-Secretary of State, in which he said "enough is enough", will my right hon. Friend strongly confirm that the Government attach great importance to the university sector, believe it to be an essential national resource, and want to see it develop effectively?

Mr. Baker: I can certainly confirm that. The universities are asking for level funding for the academic year 1987-88. My predecessor made it clear on 20 May that the Government will consider additional resources if the universities demonstrate their commitment to the pursuit of improvement in academic standards, cost effectiveness and management efficiency. I reconfirm that pledge.

Mr. McNamara: When the Minister is talking to the chaps about the full roundness of the expenditure that he will allow, will he pay special attention to those universities that have suffered particularly badly in the past seven years? Based on the figures given by his hon. Friend, Hull university is minus 22 per cent. in real terms over that period. What will the Minister do to raise the morale of teachers in those universities and encourage students to go to them? Will he recognise that in areas of great depression and high unemployment a university is an enormous economic influence? Any cuts at such universities affect the whole community and not just the university.

Mr. Baker: The hon. Gentleman spoke about the university in his own town and I pay tribute to it. In my discussions with the university vice-chancellors and the UGC over the coming months I shall make it clear that I am committed to a very strong university sector.

Mr. Forman: I welcome my right hon. Friend to his new post. Does he accept that level funding for higher education in the near future has a special meaning for higher education in the sense that there is a relative price effect which requires that higher education should be slightly more generously treated than some other forms of comparable public expenditure?

Mr. Baker: I appreciate that point. It is important to recognise that there are ways in which cost savings can be made without seriously affecting the quality of education that is available.

Mr. Radice: I congratulate the right hon. Gentleman on his new appointment and also on saying that he is committed to a strong higher education sector. Does he agree that strength implies an increase in cash? Expenditure on higher education has been cut in real terms over a number of years and is being threatened with future cuts.

Mr. Baker: I thank the hon. Gentleman for his words of welcome. Over the period of office of this Government there has been an increase of some 80,000 students in higher education. When the hon. Gentleman next takes

advertising space to comment upon the Government's higher education policy, perhaps he will say that in the Thatcher years there has been an increase of 80,000 students, and that the Opposition want a return to the Labour years when there was a cut of 2,600.

Mr. Wilson: Will the Secretary of State explain to the House why the English UGC gave the Scottish universities only 40 per cent. of the increase, small though that was, that it gave to the English universities? How does he explain this kind of discrimination?

Mr. Baker: This is a matter that I shall be discussing with the UGC.

Higher Education

9. **Mr. Chapman** asked the Secretary of State for Education and Science if he is satisfied with the number and proportion of school leavers taking up places in higher education; and if he will make a statement on future trends.

Mr. Walden: The increase in the number of young entrants to higher education as a proportion of the relevant age group from 12·4 per cent. in 1979 to around 14 per cent. last year is very satisfactory. We hope that there will be further increases over the next decade.

Mr. Chapman: I welcome the increase and hope that the trend will continue. Does my hon. Friend agree that his figures belie the assiduously cultivated propaganda that apparantly fewer and fewer potential students can afford to embark upon courses in higher education? Does he further agree that, essentially, the policy must be to ensure the quality and relevance of courses in higher education for the needs of our society as well as for the edification of students themselves?

Mr. Walden: I congratulate my hon. Friend on his perspicacious remarks. The Government are trying to get both quality and numbers. Unfortunately, my right hon. Friend the Secretary of State stole my best lines, but it is a good story, so I can elaborate a bit. We have now not only the largest ever absolute number of students, but the largest ever proportion of 18-year-olds in education. We have also a rising proportion of school leavers with the necessary A-levels and the highest ever numbers of mature students. That does not seem to be a bad show overall.

Mr. Sheerman: Will the Minister admit that a large number of students who, in 1979 and 1981, would have got into higher education, cannot do so now because of the cuts that the Government have imposed on that sector? The index of qualified students shows that that is the case. Have the Government not failed to provide places for students equally well-qualified as those in 1981? The Government's record is abysmal compared to the industria' nations with whom we compete.

Mr. Walden: The hon. Member's path to the Dispatch Box is paved with banana skins. As in his last supplementary question, that was last year's story. He knows, and I have just given him the details, that we are increasing the numbers and are proud of it. The age participation index, to use a technical term, is up. The qualified participation index, which means the number of school leavers with the necessary couple of A-levels, is also increasing.

Pupil Unit Costs

10. **Mr. Chope** asked the Secretary of State for Education and Science when he expects the 1984-85 figures for pupil unit costs broken down by local education authority to be available.

Mr. Dunn: I am arranging for the information to be published in the *Official Report*.

Mr. Chope: I thank my hon. Friend for publishing the information. Will he confirm that expenditure per pupil is now at an all-time high? Will he further confirm that many of the low-spending authorities, such as Hampshire, are achieving the best results, and that many of the higher spending authorities are achieving the worst results? Will he take powers to ensure that any extra resources will be directed to those authorities that will obtain the best value for money with them?

Mr. Dunn: I welcome and agree with my hon. Friend's remarks. I can confirm that although there is an association between satisfactory levels of resources and the quality of the educational process, available evidence suggests that there is little correlation between levels of attainment, as measured by public examinations, and the level of spending on education.

Mr. Straw: Were the Government not planning to cut education spending per pupil in successive public expenditure White Papers, and is not the only reason why it has risen that Labour and other local authorities have ignored the Government's spending targets? If the Minister says that it does not matter what is spent per pupil, why is the Prime Minister claiming unto her own the record of the higher spending Labour authorities and boasting that educational spending per pupil is now at a high level?

Mr. Dunn: I take this opportunity to congratulate those education authorities which do well by their children, which seek value for money in education expenditure, and which spend moderately but wisely. I remind the House again that while there is evidently a link between expenditure and results, there is no correlation between them. If there were, the Inner London education authority would be so far ahead it would be out of sight.

Mr. Dickens: If I gave my hon. Friend a choice between a first-class teacher teaching in a shack and a third rate teacher teaching in a palace, what would his selection be? Anticipating his reply, I suggest that the point kindly illustrates that it is not resources and bricks and mortar that turn out good pupils, but the standard of the teachers in our schools.

Mr. Dunn: My hon. Friend, who is at least always populist in these matters, is absolutely right. I would always come down on the side of the quality of the teacher, because I have seen many examples of good teachers in mediocre surroundings doing extremely well, and the reverse of mediocre teachers doing badly in well-built structures.

Following are the figures:

	Primary £	*Secondary* £
Barking	860	1,225
Barnet	865	1,265
Bexley	760	1,080

	Primary £	*Secondary* £
Brent	1,045	1,525
Bromley	780	1,155
Croydon	800	1,230
Ealing	980	1,315
Enfield	735	1,150
Haringey	1,155	1,615
Harrow	805	1,240
Havering	775	1,230
Hillingdon	840	1,275
Hounslow	920	1,190
Kingston-upon-Thames	800	1,165
Merton	800	1,040
Newham	1,045	1,485
Redbridge	770	1,185
Richmond-upon-Thames	850	1,170
Sutton	720	1,060
Waltham Forest	915	1,450
Outer London Average	865	1,250
ILEA	1,270	1,945
Birmingham	700	1,060
Coventry	825	1,180
Dudley	685	990
Sandwell	815	1,135
Solihull	710	1,020
Walsall	780	1,105
Wolverhampton	865	1,135
Knowsley	820	1,240
Liverpool	n/a	n/a
St. Helens	715	1,040
Sefton	690	1,045
Wirral	690	1,035
Bolton	655	1,035
Bury	660	1,100
Manchester	840	1,295
Oldham	750	995
Rochdale	745	1,155
Salford	745	1,110
Stockport	740	1,130
Tameside	760	1,070
Trafford	705	1,040
Wigan	725	1,110
Barnsley	840	1,070
Doncaster	830	1,065
Rotherham	755	995
Sheffield	885	1,150
Bradford	785	990
Calderdale	755	1,000
Kirklees	725	965
Leeds	740	970
Wakefield	795	975
Gateshead	850	1,080
Newcastle-upon-Tyne	900	1,245
North Tyneside	835	1,180
South Tyneside	830	1,150
Sunderland	740	1,060
Metropolitan Districts Average	765	1,080
Isles of Scilly	1,125	1,670
Avon	735	1,095
Bedfordshire	770	1,060
Berkshire	725	1,055
Buckinghamshire	710	1,095
Cambridgeshire	690	985
Cheshire	715	1,015
Cleveland	750	1,075
Cornwall	670	965
Cumbria	735	1,030
Derbyshire	730	1,025
Devon	670	980
Dorset	700	960
Durham	730	965
East Sussex	705	1,000
Essex	685	1,015
Gloucestershire	695	1,015
Hampshire	685	980
Hereford and Worcester	685	960
Hertfordshire	730	1,075
Humberside	820	1,045
Isle of Wight	705	985
Kent	650	940
Lancashire	675	1,015
Leicestershire	755	1,100
Lincolnshire	665	985
Norfolk	710	1,015
North Yorkshire	730	1,035
Northamptonshire	705	1,035
Northumberland	720	1,000
Nottinghamshire	785	1,110
Oxfordshire	765	1,070
Salop	715	1,040
Somerset	655	950
Staffordshire	775	1,030
Suffolk	735	975
Surrey	685	1,055
Warwickshire	710	1,010
West Sussex	660	965
Wiltshire	700	985
Non-Metropolitan Districts Average	710	1,020
England Average	765	1,090

n/a The returns for Liverpool have not been received.

School Buildings (Improvement)

11. **Mr. Pike** asked the Secretary of State for Education and Science what percentage of local education authorities have now returned completed survey forms concerning building improvement needs; and if he will make a statement.

Mr. Dunn: Local education authorities were asked to return completed survey forms to my Department by 1 April 1986. At the end of May, 44 per cent. of authorities had made either complete or partial returns for the sample schools in their areas. In all, about one-third of the total number of forms due have been received so far. Authorities which have not made their returns as yet are being heavily pressed by my Department to do so as soon as possible.

Mr. Pike: Will the Minister assure the House that when this survey is completed he will respond positively and make funds available to local authorities to enable them to deal with repairs and maintenance of their school buildings? Does he accept that Lancashire county council has already proved that it needs an extra £44 million over the next five years to bring its schools into good order? Will he make extra money available now to Lancashire to deal with that problem?

Mr. Dunn: My right hon. Friend's predecessor undertook to inform the House of the outcome of the survey, and I dare say that action and debate will follow from that. In response to the hon. Gentleman's question, I point out that Lancashire's prescribed capital expenditure allocation of £12·5 million was the third highest in England after Hampshire and the Inner London education authority, and represented 58 per cent. of the authority's bid against the average for England as a whole of 43 per cent.

Mr. Latham: While no Conservative Member thinks that there is a limitless pot of gold for this purpose, will my hon. Friend bear in mind when working out his allocation of resources that if maintenance work is left too long it becomes more and more expensive as the years go by?

Mr. Dunn: I agree with my hon. Friend. Between 1981-82 and 1984-85 spending nationally on the repair and maintenance of school buildings increased by 13 per cent. in real terms.

Mr. Pavitt: Will the Minister give special attention to Brent education authority and consider that authority's returns? For the past 15 years there has been such a dereliction of buildings that the expenses are now astronomical. As this is an inner city area and was rate capped for some time, does he accept that insufficient rate support grant is being given to allow the education authority to carry out the job that it wants to do?

Mr. Dunn: I understand the hon. Gentleman's point. The Opposition parties must bear a fair share of the responsibility for the decline in the repair and maintenance of the quality of our school stock. I am old enough to remember the time when a Labour Secretary of State for Education responded to the allocations of funds to local authorities with a bias against those authorities which would not go comprehensive as they were being forced to do. That was the start of much of the problem for many local authorities.

Mr. Andrew F. Bennett: On reflection, the Minister will realise that that is rubbish. The real point is that there is insufficient spending on school buildings. Unless those resources are spent, we shall have to spend more in the future. Will he accept that there is overwhelming evidence from the trade unions, the Building Employers Confederation and from HMI reports about the appalling state of our schools? When will he allow local authorities to spend some money and employ large numbers of unemployed building workers to put our schools into a decent state of repair?

Mr. Dunn: I must state straight away that what I said was not rubbish. It was true. We must accept that the state of our school stock is the cumulative result of inadequate spending on the repair and maintenance of the building stock over many years. The bias against Shire counties imposed by the Labour Government, supported at that time by the Liberal party, is one of the manifestations with which we have to cope.

Higher Education

12. **Mr. Stephen Ross** asked the Secretary of State for Education and Science what percentage of applicants to higher education gained admission in the years 1979, 1982 and 1985.

Mr. Walden: Information on the total numbers of applicants to higher education is not collected centrally. For universities only the proportions of those applying who were accepted for entry in 1979, 1982 and 1985 were 49·5 per cent., 45·3 per cent. and 46·9 per cent. respectively. Many of the unsuccessful university applicants will have gained admission to public sector higher education.

Mr. Ross: Is it not true that the numbers attending university have risen by less than 1 per cent. since 1979? Does that not compare unfavourably with our competitors in the Western world and Japan? Is not the great necessity that industry should have more graduates? What are we doing about that?

Mr. Walden: That was an interesting bundle of misconceptions. First, as I said earlier, British business is receiving more graduates. Secondly, Britain's record in producing graduates is not nearly as bad as the hon. Gentleman implied or as bad as the newspapers unfortunately often imply. Thirdly, although it is true that the number of students in universities has been broadly static since 1979, that must be viewed within the context of the massive expansion in the public sector system. I am sorry to hear Opposition Members, who naturally want to have a go at the Government, implicitly criticising higher education in this country, which has done an extremely good job by accepting more students for the same money.

Mr. Forth: Does my hon. Friend agree that if there are any difficulties, real or imagined, with the present grant system, it is high time he reopened the debate on introducing loans as an alternative to grants? Loans would provide a real incentive and give real equality of opportunity to those seeking places in higher and further education.

Mr. Walden: I have nothing new to say on loans today.

Mr. D. E. Thomas: Will the Minister reconsider his earlier statement that the University Grants Committee does not discrimmate on a geographic basis? Does he not accept that as a result of the UGC's funding mechanism, and his approval of it, there will be a geographic imbalance in university and higher education places?

Mr. Walden: I can only reiterate what I said earlier, that such issues cannot be decided on geographic grounds. The quality judgment of research at the universities of Warwick and York belies those who say that there has been a concentration in the south-east.

PRIME MINISTER

Engagements

Q1. **Mr. Craigen** asked the Prime Minister if she will list her official engagements for Tuesday 10 June 1986.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with minsterial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

Mr. Craigen: Does the Prime Minister approve of the suppression of parliamentary debate on the conduct of affairs because she is frit?

The Prime Minister: The hon. Gentleman knows full well that various parliamentary tactics are used in all parts of the House. I do not recall the Opposition complaining when opponents of the Unborn Children (Protection) Bill used a variety of parliamentary devices to try to prevent the private Member's motion of my hon. Friend the Member for Brighton, Kemptown (Mr. Bowden) being reached on 7 June 1985. The hon. Member for Linlithgow (Mr. Dalyell) and the shadow Leader of the House participated in that.

Mr. Stanbrook: As one who received his first chance of higher education at Birkbeck college, London university,

while otherwise in full-time employment, may I ask my right hon. Friend to intervene in the matter of its grant to ensure that it continues to do its splendid work?

The Prime Minister: Much as I admire Birkbeck college and its splendid work, my hon. Friend will be aware that I cannot intervene in the matter of its grant.

Mr. Steel: Now that *[Interruption.]*

Mr. Speaker: Order.

Mr. Steel: Now that the Foreign Secretary and the Prime Minister's former policy adviser, Sir John Hoskins, have both advocated Britain's joining of the European monetary system, for how long will the right hon. Lady continue to resist it?

The Prime Minister: I give the right hon. Gentleman the same reply as I have given previously to the Leader of the SDP. Whether it will be received equally, I do not know. At present, there is no intention of joining the European monetary system. To do so would deny us an option that we have at present. If there was speculation against sterling there would be only two ways of dealing with it if we joined the EMS. One option would be to use up precious reserves, which could be done only to a very limited extent. The second would be by sharply increasing the interest rate. We would be denied the option of taking the strain on the exchange rate. I do not think it right to deny us that option at present.

Mr. Fallon: Has my right hon. Friend noticed that it is the well paid who affect disdain for tax cuts? Does she agree with me that the fastest way to get people back to work in areas of high unemployment like the northern region is through lower taxation, higher take-home pay and social security reform?

The Prime Minister: I broadly agree with my hon. Friend. Lower taxes is a long-term way of creating jobs and creating more incentive. There also is a great deal of equity in reducing the level of taxation on those of average and below average earnings.

Q2. **Mr. McWilliam** asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. McWilliam: Will the right hon. Lady take this opportunity to condemn those of her hon. Friends who denied my hon. Friend the Member for Linlithgow (Mr. Dalyell) the right to express his opinion and have it debated in the House? Will she undertake to restore to Back Benchers an additional private Member's motion on Friday?

The Prime Minister: Opposition Members cannot bear from this side of the House the tactics that they have frequently used themselves. The House will recall that on 25 March 1965 the late Richard Crossman, assisted by his parliamentary private secretary the hon. Member for Linlithgow (Mr. Dalyell), dragged out a debate on planning to prevent discussion of a private Member's Bill introduced by the late Airey Neave on pensions for the over-80s. They were successful.

Mr. Hayes: Does my right hon. Friend agree that the Conservative party is the only party with the policies, the will and the determination to defend Great Britain against its enemies?

The Prime Minister: Yes, the Conservative party is the only party that has a clear, united policy on the defence of this country and would be a reliable ally in time of trouble.

Mr. Kinnock: On the matter of defending essential British interests, given the very high standards of engineering and technological skills in Rolls-Royce, and the great significance of that company for the manufacturing sector of our economy, will the Prime Minister now give us an undertaking that she will use the full powers of her Government to ensure that British Airways' huge engine order is placed in Britain?

The Prime Minister: British Airways has asked all three major aero engine manufacturers to provide quotations, as it usually does when considering the purchase of a new aircraft type. When it has completed its evaluation and has made a judgment about how many of the aircraft it wishes to acquire, it will put proposals for approval to my right hon. Friend the Secretary of State for Transport. As the right hon. Gentleman knows, there are arrangements between General Electric and Pratt and Whitney and Rolls-Royce. The essential thing is that Britain wins its orders on merit and performance.

Mr. Kinnock: I fully acknowledge that. First of all, of course, it is necessary for British manufacturing industries to stay in business in order to be able to compete to win those orders. Does she recall that it was the Government of which she was a member who rightly rescued Rolls-Royce from extinction? Does she not believe that she should be much more forthright and positive in her determination to ensure that the interests of that company, its workers and its technologists are properly safeguarded now?

The Prime Minister: Yes, but the right hon. Gentleman agreed that to be efficient and thriving a company has to win its orders on merit and, in fact, Rolls-Royce does. Why does he not concentrate on the possibility of Rolls-Royce winning on merit? It is for British Airways to evaluate the quotations from the technical and financial point of view. Rolls-Royce supplies the engines for most of the British Airways fleet at present, and I am sure that this will be a factor in BA's judgment, but I hope that Rolls-Royce will win on outright merit.

Mr. Kinnock: So do I, Mr. Speaker. Is the right hon. Lady going to bat for Britain?

The Prime Minister: Yes, but one does not bat for Britain by protecting industries that would be inefficient. One bats for Britain by backing industries that win on merit, and that this Government have done with Rolls-Royce—merit.

Mr. Forman: Is my right hon. Friend aware that virtually all of us on the Conservative Benches support her desire to reduce the burden of taxation on those on average earnings and below? Does she agree that perhaps the most cost-effective way of doing that would be an extension of the earlier policy of my right hon. Friend the Chancellor of the Exchequer to reduce employee national insurance contributions?

The Prime Minister: Yes, but I think that the better way is to do what my right hon. Friend the Chancellor did in his last Budget. He has concentrated enormously on raising thresholds. However, as my hon. Friend will be

aware, there is a very sharp increase as one comes into the first pound on which tax is paid, which is very damaging to incentives. One has to consider all three: the thresholds, the standard rate of tax and the national insurance contributions. I am sure that my hon. Friend will agree that that is exactly what my right hon. Friend the Chancellor has done.

Mr. Mallon: Is the Prime Minister aware of the great concern caused by the very circumstantial suspension of the deputy chief constable of Manchester? Will she assure the House of her vigilance in protecting the integrity of the report that he prepared on Northern Ireland and the integrity of a good and professional policeman?

The Prime Minister: As the hon. Gentleman is aware, the Greater Manchester police authority has appointed the chief constable of West Yorkshire to investigate allegations that have been made. It would not be right for me to comment on the case or its implications while it is under investigation.

Mr. Cormack: Will my right hon. Friend accept that Birkbeck college, which she says she cannot help directly, could be helped enormously indirectly if the fees of mature students were made tax deductible?

The Prime Minister: My hon. Friend is proposing quite a fundamental change in the tax system, and I am sure that my right hon. Friend the Chancellor of the Exchequer will have heard his question.

Q3. **Mr. Patchett** asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Patchett: Does the Prime Minister agree with her Secretary of State for Employment that the unemployed in my constituency have never had it so good?

The Prime Minster: Perhaps the hon. Gentleman would quote my right hon. Friend the Secretary of State for Employment accurately, which he did not do. *[Interruption.]* I understand that my right hon. Friend the Secretary of State for Employment pointed out that those who are working have average earnings and a standard of living that are higher than ever before, but I shall add my own comment. There are occasions when sometimes higher pay for those in work is taken at the expense of putting more out of work.

Mr. Holt: Did my right hon. Friend see last night's "Panorama" programme on unemployment in Cleveland? If not, will she kindly do so and take instructions to ensure that Smith's Dock is not closed?

The Prime Minister: No, I did not see the "Panorama" programme last night. My hon. Friend will be aware that the problem with shipbuilding in this country stems from a shortage of orders, particularly for merchant ships. Unless there are more orders about, it will not be possible to keep all our merchant shipyards going. It is, of course, a matter of great regret that some of them have had to close.

Q4. **Mr. Pendry** asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Pendry: Will the Prime Minister find time today to meet the director general of the British Tourist Board? If she does, she will discover that as a result of her slavish actions towards American foreign policy, especially the mad-hatted and ill-conceived bombing of Libya, hundreds and thousands of would-be American tourists are not coming to this country, resulting in millions of dollars being lost to our economy. As that is the result of her statements and action, what is she positively doing to rectify the situation?

The Prime Minister: I hardly think that the hon. Gentleman's question is calculated to get more American tourists to come here, but I hope that they will return to this country, and we are doing everything possible to that end.

Mr. Hayward: When my hon. Friend considers the comments of the Leader of the Opposition, will she bear in mind that this Government funded the RTM 322 through Rolls-Royce, the European fighter aircraft which is powered by Rolls, the AV8B, which is powered by Rolls, the Hawk trainer, which is powered by Rolls and which has been sold to the United States, and the IAE 2500 engine, which is also partly owned by Rolls?

The Prime Minister: I congratulate my hon. Friend on his carefully rehearsed question. I hope that Rolls-Royce will win on merit. It does no good for the efficiency of British industry to protect it from foreign competition. That is the way to reduce our efficiency and ultimately to reduce our standard of living.

Q5. **Mr. McNamara** asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. McNamara: Does the right hon. Lady believe that France, Germany, Italy, the United States and all our other competitors, if placed in the position that is faced with British Airways, with a major industry having a major contract, would, under any circumstances, allow it to go abroad?

The Prime Minister: Rolls-Royce, as the hon. Gentleman knows, has arrangements with the two other big aero engine competitors which I have mentioned. An order for one often means a great deal of subcontracting to the other. I repeat what I have said. Rolls-Royce and other industries have to win on merit. If the hon. Gentleman wants universal protectionism, that will be bad for our exports and bad for our standard of living.

Q6. **Mr. Watts** asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Watts: Is my right hon. Friend aware that many successful small businesses in my constituency and elsewhere do not look to the Government for cash handouts, but wish to have better access to Government contracts, in particular, the £34 billion a year which is spent on purchases of goods and services? Will she take steps to ensure that such better access is made available to the small business sector?

The Prime Minister: I know my hon. Friend's concern about this matter. It is important that small firms are able

to compete for Government contracts. I think that he is aware that the central unit on purchasing is examining, with purchasing Departments, small firms' access to Government contracts. We expect to receive its report towards the beginning of July, and I shall keep in touch with my hon. Friend.

Business of the House

3.31 pm

Mr. Peter Shore (Bethnal Green and Stepney): On a point of order, Mr. Speaker. At the end of our exchanges at 3.30 pm yesterday on last Friday's lost business, the Lord Privy Seal offered discussions through the usual channels. Can he inform the House today of the progress made in those discussions with a view to restoring last Friday's lost Back-Bench Members' time? Meanwhile, and until those important matters are resolved, will the right hon. Gentleman agree not to move the motions relating to the Finance Bill on the Order Paper today?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Further to that point of order, Mr. Speaker. Discussions on this matter took place at a late hour last night and are continuing to take place through the usual channels. It will be the Government's intention not to move the motions relating to the Finance Bill at the end of business tonight but to take them tomorrow night. I am hopeful that, if the Leader of the Opposition asked at business questions on Thursday, it may be possible for me to give a positive response to the matter which the right hon. Member for Bethnal Green and Stepney (Mr. Shore) has just raised.

Dr. Kurt Waldheim

Mr. Greville Janner (Leicester, West): On a point of order, Mr. Speaker. Is it in order for the Prime Minister to send a message of congratulations to Dr. Kurt Waldheim when he is

Mr. Speaker: Order. That is not a matter for me. The hon. and learned Gentleman must find other ways of raising a matter of this kind.

Mr. Janner: May I ask, Mr. Speaker, whether there is any precedent affecting the House

Mr. Speaker: Order. The hon. and learned Gentleman must find other ways of raising that matter.

Mental Handicap (Hospital Conditions)

3.33 pm

Mr. Dennis Canavan (Falkirk, West): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the need for an inquiry into the conditions of patients and staff in hospitals for the mentally handicapped in view of the revelations of the World in Action television programme which was broadcast last night."

Millions of people must have been angered and sickened by what they saw on television last night, and we in this House would be failing in our duty if we did not make some immediate response. The programme referred to the filthy conditions, the dilapidated buildings, the overcrowding, the lack of basic amenities and the severe staff shortages in institutions which are supposed to care for some of the most deserving people in our society. Reference was also made to the deaths of five patients and a nurse at the Royal Scottish National hospital in Larbert, in my constituency. As far as I can ascertain, no fatal accident inquiries were held into any of those deaths. The programme suggested that the staff shortage at the RSNH may have been a contributory factor to some of the deaths.

The Royal Scottish National hospital is not unique. Lennox Castle hospital, a similar institution, which is short of at least 200 nurses, was described on the programme as similar to a prisoner-of-war camp and little more than a warehouse for the long-term storage of human beings. Most disturbing of all, the Government have apparently known about those intolerable conditions for some time but have tried to cover them up. Last August, the chairman of the Mental Welfare Commission for Scotland wrote privately to the Secretary of State for Scotland about the Duich ward at the Royal Scottish National hospital in the following terms:

"This must be one of the worst wards the Commission has visited in mental deficiency hospitals in Scotland".

The Government's gross negligence and unforgivable failure to provide adequate staffing and other resources for those patients cannot be ignored by the House. I submit that the need for a public inquiry should have urgent consideration.

Mr. Speaker: The hon. Member for Falkirk, West (Mr. Canavan) asks leave to move the Adjournment of the House under Standing Order No. 10 for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the need for an inquiry into conditions of patients and staff in hospitals for the mentally handicapped in view of the revelations in the World in Action television programme broadcast last night."

I have listened with great care to what the hon. Member has said, but I regret that I do not consider that the matter he has raised is appropriate for discussion under Standing Order No. 10. Therefore, I cannot submit his application to the House.

Football Betting Levy Board

3.36 pm

Mr. Tom Pendry (Stalybridge and Hyde): I beg to move,

That leave be given to bring in a Bill to establish a Football Betting Levy Board with powers to impose levies on football betting and to allocate such moneys for the benefit of association football

The Bill, if enacted, would give real and continuing financial backing to our national game of association football which, as the House knows, is suffering a decline not only on the playing fields of Mexico but here in the land that gave birth to the game of soccer. My proposal is not a new one. Its origins go back to 1968 when the first Chester report was published, and possibly before that. Its concept was endorsed by the Royal Commission on gambling 10 years later. It has many advocates both in the soccer world and in the House, as my list of sponsors will demonstrate.

It is undoubtedly true that soccer has moved on since Chester and Rothschild produced their reports. It continues to be a fact that football is in a parlous financial state. That is not helped by successive Governments' greed in levying taxes on the sport. The Bill would bring about a practical solution to many of the game's problems, in line with a philosophy that should commend itself to the Prime Minister football helping itself.

There can be little doubt that the football pools' organisations are part of the football industry. The Government should be pleased that both exist, as the Government, against the advice of the Royal Commission on gambling, among others, increased its share of football's cake to 42·5 per cent. by way of betting duty in 1982. That was far in excess of that derived from horse racing or any other sport. The Rothschild report thought that a 40 per cent. tax was unfairly high. The yield to the Exchequer last year from such a levy was £221 million. That is certainly unfairly high.

A crisis is in the sport, and that is recognised by the Government. In fact, the Government's voice is probably among the loudest voices telling football that it must cope with its many problems but without doing much to assist it. The football world has moved on since Rothschild and Chester. Notably, and thankfully, the Football Trust and the Football Grounds Improvement Trust have been born. Both have done a great deal to fill a considerable part of the gap described in those reports. Both trusts are well respected. Many of those who support my proposal might have had second thoughts if the proposed levy board did not embrace the talents of those who currently administer those trusts. They should have no fears about that. I have no desire to impose on the sport a bureaucratic body with a structure that might be insensitive and costly to administer.

The pools promoters are anxious lest the current generous level of funding is used by a Chancellor of the Exchequer to fund the proposed levy board at the expense of their direct and indirect contributions. I recognise those fears. I would not wish to injure the genuine friends of football who over the years have done so much for the game. If we are to have a thriving football industry, Governments must not be greedy in their taxation policy, as they currently are. This measure would probably have been unnecessary if, over the years, Governments had not discriminated against the football pools punter.

Surely it cannot be right that the football pools alone have to pay the Chancellor 42·5p in every pound collected before expenses and prize money are taken into account. I envisage the board's funding coming from gambling on football. I hope that the Government will reduce the level of duty to help fund the board. If the Government reduced the level by 2·5 per cent. the extra duty imposed in 1982, four years ago about £5 million would be made. If the Chancellor eliminated VAT on spot-the-ball competitions, £4·5 million would be provided. Copyright payments for the use of football fixture lists would yield another £5·6 million. Without infringing overmuch on existing sources of funding, the football levy board would have more than £15 million to do what we all know is needed to enable our national game to survive into the 21st century.

Football has not enjoyed the same popularity within the higher echelons of Government as horse racing. Horse racing has an exclusive source of revenue through the Horserace Betting Levy Board, which does a good job for the sport. Soccer may not be the sport of kings, but it is our national sport, and it needs a shot in the arm.

The Horserace Betting Levy Board receives an income of about £21 million a year from the levy on bookmakers. Since 1980 the total income for that sport has been £96 million. There is a 10 per cent. betting levy on horse racing. Betting turnover is about £4 billion a year. It follows that horse racing is a much larger business than the football pools business which in 1984-85 had a turnover of £520 million, more than £200 million of which went back to the Exchequer.

One could argue that there would be less need for my Bill if the Government recognised those facts. It is undoubtedly true that the Government take more from football than they put in. As a branch of the entertainment industry, football makes a substantial net contribution in VAT payments. Some clubs small in number pay corporate tax on profits. All make PAYE and DHSS contributions for their employees. Those payments plus the rates to local authorities and the cost of policing are a tidy sum. None of those payments is unique to football. What is unique is the high level of betting duty on the football pools money which is considered by those involved in football to be the football industry's money.

Football is being discriminated against, and is under-helped in relation to horse racing and the needs of football and wider participation in the sport. About 1 million play the game and more than that number watch it. We believe that our national game deserves a better deal. If the Bill is passed, we shall look to the football levy board to assist football to overcome many of its problems and to adopt a 21st century approach. We all want improvements with respect to grounds, the covering of terraces, the installation of more seating and adequate refreshment facilities. We need at least 12 new football stadia which are showpieces along 21st century lines. Imagine the World cup hosted by Britain. A national stadium in each home country is necessary. We have been told that, once more, Wembley will be given a facelift, but we shall believe that when we see it. We need closed circuit television on all grounds to combat the hooligan element.

I hope that the House will accept the arguments that I have outlined, not least because it is my birthday today, and that it will support my Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Tom Pendry, Mr. Denis Howell, Mr. Peter Pike, Mr. Tony Banks, Mr. Roger Stott, Mr. Stuart Bell, Mr. John Cartwright, Mr. John Carlisle, Mr. Jim Lester, Mr. Robert Hicks, Mr. David Knox, and Mr. Michael Knowles.

Football Betting Levy Board

Mr. Tom Pendry accordingly presented a Bill to establish a Football Betting Levy Board with powers to impose levies on football betting and to allocate such moneys for the benefit of association football: And the same was read the First time; and ordered to be read a Second time upon 4 July and to be printed. [Bill 172]

Orders of the Day

Education Bill *[Lords]*

Order for Second Reading read.

Mr. Speaker: Before I call the Secretary of State for Education and Science, I must announce to the House that I have selected the amendment in the name of the Leader of the Opposition. A large number of hon. Members are seeking to take part in this debate, and I therefore intend, between 7 o'clock and 9 o'clock, to impose the 10 minute limit on speeches.

3.47 pm

The Secretary of State for Education and Science (Mr. Kenneth Baker): I beg to move, That the Bill be now read a Second time.

Before referring to the Bill, I would like to pay tribute to my predecessor, my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph). During the tenure of this office he instituted major reforms in our education system, many of which have been widely welcomed by the educational world. To his credit stands the GCSE and the reform of initial teacher training. But above all his contribution was the White Paper "Better Schools" in which he raised to the very centre of the educational debate the whole question of standards and quality of teaching and pointed a way forward. He made a remarkable contribution to the education policy of our country.

Education has now become more important than at any time in the past. To a large extent, our national future depends on it. The pressure of international competition and the relentless advance of technology make it inevitable that we demand more from our education system. It needs to perform better because our situation requires it. Fortunately, there are many points of strength in our system. Many schools do admirable work. But it is now essential that that should become true for every school. We have no choice but to make it the aim of our policies. The Bill is important because it takes these polices forward.

The Bill is based upon the White Paper "Better Schools". It is an important Bill, because it gives new impetus to the Government's policies for raising the standards achieved by all pupils in our schools. Those policies are all concerned with quality — that is, what pupils actually achieve. We are working to provide every pupil, of whatever ability, with an education which fits him or her for adult life in today's world.

Three major steps forward are in hand. First, on the curriculum, we want to provide for all pupils a curriculum which develops their talents and prepares them for responsible citizenship and for finding a job in a competitive technological age. Secondly, we are reforming the examination system — the GCSE, which will be introduced this autumn and will make the 16-plus examination better serve the needs of pupils, teachers and the employers and raise standards of attainment. I want to return to that examination later. Thirdly we are improving teaching quality. The newly established council — the Council for the Accreditation of Teacher Education—is setting in hand a radical reform of initial teacher training.

These are the steps which are in hand. We operate through a decentralised school system; and I believe in

[Mr. Kenneth Baker]

such a diffusion of power. It is right to devolve responsibility even in a national service such as education. I have been asked frequently during the past few days whether I favour adopting the French centralised system. I want to make it clear that I do not. I think that all of society, not just our education system, can be happier and more stable if more is done at the rim of the wheel and less at the hub. This process, however, can go further, beyond the level of the local education authority to the level of the school and the community served by each school. At present, we have not got right either the balance of responsibility between central and local government or, more importantly, the balance between the LEA and all those other interests that give life to a school. Moreover, the present distribution of responsibilities varies in a haphazard and rather bizarre fashion from place to place and it is often unclear, even to those most closely concerned. The diffusion of power no longer works properly. Diffusion has become confusion.

The Bill gives a new vitality and a new clarity to our decentralised system of school education. The Bill does not change the features of the system that are working well. It preserves the particular nature of aided and special agreement schools. Such schools already have that separate identity which is a prerequisite for effectiveness. For that reason, the Bill affects neither the composition of their governing bodies nor, except for some additions, their functions. Those schools work well, and we should leave well alone.

The first main purpose of the Bill is to change the arrangement for governing bodies of schools so that parents and local community interests have a greater say. In that way governing bodies will have real identity and that sense of purpose which was always the intention of the Education Act 1944 but which has not happened. I remind the House that the 1944 White Paper said:

"Every school of whatever type or category must have an individual life of its own as well as a place in the local system".

The 1944 Act intended each school's identity to pivot round an effective governing body, but the practice has been far from the ideal. In county, controlled and maintained special schools, governing bodies are dominated by people appointed by the LEA, their powers are unclear and often ineffective, particularly in relation to the LEA, despite the valuable start made through the Education Act 1980, governing bodies do not yet adequately inspire or harness parental concern for their children's progress, the relationship between the governing body and the head teacher is often unclear and unfruitful.

The Bill therefore radically changes the composition of those governing bodies. It also gives the governing bodies new duties, powers and responsibilities which will apply to all of them. As regards the composition of such governing bodies, part II of the Bill ends the dominance of the LEA — no single interest will predominate; gives equal representation to elected parent governors and to governors appointed by the LEA; preserves existing rights of representation of the head and other teachers, voluntary foundations and minor authorities; and provides for a new category of co-opted governors.

The new category of co-opted governors is important. Co-opted governors allow a governing body to become more broadly based and reflect the interests of the wider community served by the school. I am particularly keen to get more business men and business women interested in the schools that serve their community. Many hon. Members on both sides of the House will have heard business men and business women criticise the school system and say that the children whom they are turning out are not numerate or literate. I always respond robustly to such comments, and ask the business men and women when they last went into a school and discussed with teachers what was being taught and discussed with the children what they were learning. I recognise that many business people serve as school governors, but the governing body of every school should have on it someone from the local business community. Therefore, we shall introduce amendments to ensure that local industry and commerce are represented on governing bodies.

Having more elected parent governors is good, but not sufficient. In addition, all governors will have to report to the parent body. Clauses 26 and 27 require the governors to prepare an annual report and to submit it to a parents' meeting. At that meeting the parents as a whole can make known their views about standards and other sensitive issues, which individually they may find difficult to put forward. Individual parents will also have a right to be informed about what their children are being taught. They will be involved in much wider issues such as the possibility of political bias, the nature of the sex education that is being provided, and the wider question of crime prevention. Parents will, therefore, be able to influence the way in which their children's school develops. That is a powerful extension of parental choice, and I hope that it will lead to a much greater understanding between schools and parents.

I now deal briefly with the duties and responsibilities of the governing body and the duties and responsibilities of the head teacher. Those two are critically important parts of the education system. Under clause 15, the governing body will be responsible for the general conduct of the school. Under clause 21, it will have general oversight of discipline. Under clauses 30 and 37, the governing body will be involved in the selection and dismissal of staff and, in particular, the crucial appointment of the head teacher. Under clause 17, the governing body will be obliged to publish a statement of its policy for the school's curriculum. The governors must consider the local education authority's curricular policy, but they may, for the purposes of this statement, modify it as they judge right, after receiving advice from the head. Under clause 25, the governing body will be given both information about the school's running costs and power to spend the money which the LEA will be required to allocate to it for books, equipment and stationery. For the first time the governing body will have a financial statement before it. That is a tremendous step forward.

Mr. Ken Weetch (Ipswich): Before the Secretary of State leaves the point about the power and authority of headmasters, will he consider the point that if a headmaster excludes from his school a pupil who is recalcitrant and difficult, under these clauses the local education authority can compel him to take that pupil back, although the school could be disrupted and his authority wholly undermined? Does the Secretary of State intend to retain that provision, or will he alter it?

Mr. Baker: I shall deal directly with that point in about two or three minutes when I deal with discipline.

To return to the financial position, a financial statement will be prepared which the governing body will have and which will also be made available to the entire parent body. The governing body will also be able to spend money on specific items such as books, equipment and stationery. The LEA will also be free to increase this discretion to other items, and I intend to encourage that. The experiments made by such LEAs as Solihull and Cambridgeshire of devolving more control to the school is a pattern which I would like to see extended. In connection with these finance provisions, I should like to pay tribute to my hon. Friend the Member for Bedfordshire, South-West (Mr. Madel), whose private Member's Bill last Session foreshadowed some of these proposals.

The Bill makes an important change concerning the appointment of head teachers. There will now be a selection panel which examines the candidates. It will no longer be possible for an LEA to foist upon a governing body the head teacher which the LEA may particularly want. I am keen to increase the role and influence of the head. Under clause 17 the head will determine the curriculum for the school, which must be compatible with the curricular policies of the LEA or with the policies as modified by the governors. He will be solely responsible for organising the curriculum which he has determined. Under clauses 30 to 37, the head must be consulted on all matters affecting his staff, and he will have real responsibilities, under clause 21, for discipline. I hope that this will enhance and increase the role of the head teacher in our schools.

Discipline cannot be separated from education. Without discipline in a school, no learning can take place. The Bill deals with discipline, and accepts the fact that one cannot leave discipline to the elected councillors on the education authority – it is the special prerogative of the head and the governing body. I should like to deal with two aspects of discipline: first, corporal punishment, and then the expulsion of pupils. The House of Lords in its debate amended clause 21 with the intention of abolishing corporal punishment in the state sector. The Bill does not completely achieve that, and there would have to be drafting amendments to achieve that purpose fully.

Each hon. Member will have his views about whether corporal punishment should be retained as a sanction available to the head in maintaining order in his school. Corporal punishment is now used much less than it used to be. In Scotland abolition has long been the policy. As a result corporal punishment has largely disappeared there. About a quarter of the English authorities have a policy against the use of corporal punishment. But for many schools the head and the governing body believe that it should be retained as a sanction, and it is strongly felt that to deny them this would weaken their position. Taking account of all the circumstances, we believe that the whole House should decide whether corporal punishment should be retained and my right hon. Friend the Patronage Secretary proposes that Members on this side of the House should be allowed a free vote on the question. If the decision is for abolition, that would extend also to Scotland.

However, as Secretary of State for Education, I think it would be appropriate for me to make my personal views known. I think that the retention or the abolition of corporal punishment should essentially be a decision for the governing body, the head and the parents and if they wish to retain it in a particular school they should be allowed to do so. They would have that denied to them should the House decide to abolish corporal punishment altogether in the state sector. Accordingly, I intend to vote for the retention of corporal punishment on the understanding that it will be decided at a local level. Should that view prevail in the House, I would expect the new governing bodies in England and Wales, which of course will now have much higher parent representation, to agree with the head a suitable arrangement which would recognise the finding of the European Court of Human Rights that the philosophical convictions of any parent should be respected. I would monitor these arrangements closely, and if philosophical convictions are not being respected I should then have to consider giving parents a legal right of exemption. I do not believe for one moment that corporal punishment is the ultimate sanction in a school, but there have to be sanctions against bad behaviour otherwise a head and a governing body have no power. Children need to work within a formal structure. If that structure collapses, no learning can take place and the children themselves are confused and bewildered.

The ultimate disciplinary sanction is expulsion. I come to the point made by the hon. Member for Ipswich (Mr. Weetch). The House will recall the Poundswick school case where the headteacher decided to suspend five boys who were alleged to have painted graffiti attacking and undermining the teaching staff. This led to a dispute between the governing body, which did not want the boys readmitted, and the LEA, which eventually forced the governors to readmit them. What is at issue is not only the LEA's duty to see to it that each child finds a place at school but also whether the school can educate a child so placed at it without damage to all its work.

Under the Bill as drafted the governing bodies have a right to exclude a pupil, which can be overridden by the LEA. I intend to strengthen the position of the governing body in such a case where there is a difference of opinion between it and the local education authority. I intend to introduce an amendment to propose a right of appeal for the governing body or the parent. [HON. MEMBERS: "Appeal to what?"] To the appeal committees which will be set up and which will operate locally on the admission of and selection of schools for children.

Mr. Fred Silvester (Manchester, Withington): This is an extremely important matter in Manchester. Will my right hon. Friend be clear about this? I thought that the appeal committee was, in fact, substantially under the control of the local education authority. Therefore, we are going round in circles. I thought that it was understood in another place that the amendment was intended to be a reference to the Secretary of State.

Mr. Baker: I will certainly consider what my hon. Friend has said. Although the appeal committees are appointed by the LEA, none the less they reject between a third and a half of the appointments made by the LEA. They have established a degree of independence, but if there was a further strengthening of that independence I would be happy to consider that in Committee. I am keen to ensure that there is a clear appeal procedure against the right of the LEA to assert its position when the standing of the head or the governing body is in question.

Mr. Cyril Smith (Rochdale): I back strongly what the hon. Member for Manchester, Withington (Mr. Silvester)

[Mr. Cyril Smith]

has said. I have had considerable experience of appeal bodies on admissions. The hon. Member is correct in saying that the teachers are appointed by the local authority and, while a proportion of the cases are rejected, I urge the Minister to consider whether that proves what he says it proves. I do not believe that it does.

Mr. Baker: If there is disquiet about this, I shall respond sympathetically in Committee. I am keen to establish an appeal system. We may have to establish a separate appeal system, and I am prepared to consider it on that basis.

May I deal now with another matter that was introduced in another place, the clauses relating to political indoctrination, clauses 16 and 39? The principle is not in dispute. There is no place for political indoctrination in our schools. But it is inevitable that issues of a political character will arise in many areas of the curriculum; and it is right that these should be dealt with responsibly and objectively so that our children are helped to be good citizens. We owe it to our children to ensure that the Bill is in this respect as effective as it can be in preventing political indoctrination.

Mr. Edward Leigh (Gainsborough and Horncastle): Is my right hon. Friend aware of the concern in some quarters that the rightful insistence that politically contentious matters should be dealt with in a non-partisan way may lead to the erroneous impression that discussion of parliamentary democracy should be balanced with advocacy of anti-democratic, Fascist or Marxist views? Can my right hon. Friend confirm that that is not his view and that the Bill will not allow this to happen?

Mr. Baker: My hon. Friend has referred to clause 39 and not to clause 16. Clause 16 provides the important protection and clause 39 is concerned with balance. I sympathise with my hon. Friend, and I can do no better than quote what my right hon. Friend the former Secretary of State said to the National Council of Women on 3 March 1984:

> "Schools have, among other tasks, the job of familiarising pupils with the values which define our society. We are surely right to expect our schools not to encourage pupils to take a favourable view of notions which are wholly alien to our society — for example that Government should be other than Parliamentary or that the rule of law should be abrogated."

Mr. Andrew F. Bennett (Denton and Reddish): Does the right hon. Gentleman intend to leave in these two clauses, which were introduced in the Lords, or seriously to modify them?

Mr. Baker: My intention is to leave them in.

Mr. Nicholas Baker (Dorset, North): When my right hon. Friend considers these clauses, will he carefully study the information which is put about by the British Youth Council? I am sure that my right hon. Friend will agree that it is right that young people should study how a society is organised, the politics of it, and how political parties are organised. The literature which I have before me encourages young people to study the politics of minority pressure groups, and indeed the politics of protest. Surely that is not part of political education.

Mr. Baker: I am not familiar with that literature, but I should be grateful if my hon. Friend would send it to me. If the literature is on the lines described by my hon. Friend, it has no place in the operation of schools.

I come to another matter which was introduced in the House of Lords, clause 24, which requires sex education to be provided, as far as is reasonably practical, in a way which encourages

> "pupils to have due regard to moral considerations and the value of family life".

I am very glad that this clause has been added to the Bill. There has been sex education in schools now for a number of years and I have no doubt that it has been generally beneficial, but it is very important for us to remember that sexual relationships should be taught and understood only as an element of wider personal relationships. It is not enough just to teach the knowledge of the physical mechanics of sex or the hygiene of sex. It must also involve loving, caring and sharing. I recognise that many schools have set sex education in a moral framework, but this does not appear to have happened in all cases.

It is crucial to emphasise the moral dimension as well as the value of family life. I recognise that this is a difficult task for teachers, and parents must be involved. We will shortly be publishing a draft circular on sex education at school. It will emphasise that parents should be given the opportunity to see for themselves the teaching materials to be used. I also think it is very important that pupils should be helped to recognise the physical and emotional risks of sexual promiscuity.

I recognise that it is very difficult to legislate in this matter, but I think that it is important for the House of Commons and the House of Lords to give a clear signal reinforcing the institution of marriage as the foundation of a healthy family life and the very bedrock of our civilisation. And we really owe it to the next generation to do everything we can to build up the children's respect for a happy family life. I hope that this clause will do that.

What really matters is what is said by the teacher in the class to his or her pupils, both boys and girls, but I draw some encouragement from the statement made by Lord Denning in the other place when he said of this amendment:

> "It is not merely a pious aspiration, it is a duty which can be enforced by law if need be. I hope it never has to be. But this is a valuable provision to have". — [*Official Report, House of Lords*, 2 June 1986; Vol. 475, c. 568-72.]

May I deal with one other matter which was debated in the other place—the difficult but very important issue of safeguarding freedom of speech in higher education. The House will be aware that an amendment was tabled by the Government on this matter, but that it was not proceeded with in the other place, after a commitment to bring forward an amendment in this House. I think that there is considerable public unease about the way in which certain people have been denied the right of freedom of speech at some universities and polytechnics.

I am aware that such occurrences touch only a small proportion of the many meetings that take place on campuses, but many people find unacceptable the infringement of free speech in a university or polytechnic. Universities are rightly regarded as the very quintessence of intellectual freedom. Indeed, I have been told that one of the reasons why there should be lifetime tenure for dons is that this ensures them the intellectual freedom and independence which they need to pursue their lives in the universities. They cannot demand it for themselves if it is

not provided for other people, and there is no doubt that the no-platform policies of certain student unions have denied the right of the freedom of expression to certain people. Members of this House have been excluded from universities and physically threatened and attacked. A Jewish society has been denied access to the rooms and facilities of a student union on the ground that the society supports Zionism, and Zionism is alleged to be racist.

Such campus censorship is unacceptable. We propose to move amendments which will safeguard freedom of speech in higher education. The House will then be able to consider the various issues of principle and practice which arise. I have already discussed with the Committee of Vice-Chancellors and Principals, the directors of polytechnics and others the form of the provision that might best secure and further our objectives. But I have made it clear that present circumstances are not acceptable.

Mr. John Carlisle (Luton, North): Will my right hon. Friend give the House an absolute assurance that his and his colleagues' resolve on this extremely important matter will not weaken? The measures that he has announced will be welcomed on the Conservative Back Benches. Will he ensure that vice-chancellors understand the deep distress that has been caused to hon. Members and others by the antics of these hooligans and that it is in their self-interest to stiffen their disciplinary procedures, which must include the expulsion of students if necessary?

Mr. Baker: The speeches that my hon. Friend has not been allowed to make could fill volumes.

Mr. Mark Fisher (Stoke-on-Trent, Central): Nobody would want to read them.

Mr. Baker: Whether people want to read them is not the point. The point is that my hon. Friend should be allowed to speak if he wants to. We must remember what Voltaire said—

"I disapprove of what you say, but I will defend to the death your right to say it."

That principle becomes all the more important when it is denied in our universities and polytechnics.

Mr. Clement Freud (Cambridgeshire, North-East): Does the Secretary of State agree that it seems strange to people outside the House that, with the consent of the Patronage Secretary and the Prime Minister, an hon. Member was denied the freedom of speech on Thursday night, but the right hon. Gentleman is now campaigning for it in the universities? What is the difference?

Mr. Baker: That is the first intervention I have heard from the Liberal spokesman on education since I have held my present office. I only hope that the quality of his future interventions is better.

Mr. Tony Baldry (Banbury): My right hon. Friend referred to student unions banning free speech, but we must also consider vice-chancellors. Is he aware that, some 15 years ago, I and other students at Sussex university had to hire the corn exchange to enable our local Member of Parliament, my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery), to speak to us because the then vice-chancellor, now Lord Briggs, refused to allow us to use a room in the university? Some vice-chancellors say that we should leave it to them. We have left it to them for the past 15 years, and they have done nothing to guarantee free speech in universities.

Mr. Baker: That is what I said to the Committee of Vice-Chancellors and Principals when I saw it last week. I assure my hon. Friend that, when the amendment is tabled, it will address that point about duty and responsibility.

I want now to consider the training of teachers and the GCSE. Before doing so, I should remind the House that the Bill deals with such matters as recoupments and the abolition of the two central advisory councils and the cessation of the publication of a retrospective annual report.

The Bill contains two important provisions which will improve the effectiveness of teachers. They relate to appraisal and to in-service training. The impression is sometimes given that only the bad things in schools are worth commenting upon, but all hon. Members know from first hand in their constituencies the good work which is done by teachers and children in their local schools. It is my sincere hope that we shall soon be able to restore the spirit of partnership, rather than recrimination, to the relationship between those who teach and those who set the framework and secure the resources for the education and teaching profession. In doing that, we must obviously continue to point out where improvements still have to be made and where existing practices and procedures should be changed to raise standards.

Local authorities' key role in managing the teaching force can be fully effective only if it is informed by the regular and systematic appraisal of teachers. The purpose of appraisal is to help all teachers realise their full professional potential by providing them with better job satisfaction, and appropriate in-service training and better planned career development. None could argue with these objectives.

It is my strong hope that agreement will be reached voluntarily on a national framework for appraisal in the current ACAS talks. It may, however, be desirable—and it may prove necessary—for that national framework to be provided or supported by statutory regulations. Clause 40 consequently provides for the holder of my office to make such regulations. I should leave the House in no doubt about the intention that appraisal should be secured by agreement. I look upon this as very much a reserve power.

I turn to the subject of training. Every curriculum improvement needs appropriate in-service training. To meet all of these needs effectively, a sharper financial mechanism is required. The Secretary of State does not at present have financial powers which match his many statutory responsibilities. There is an imbalance here. That is why the Bill proposes, in clause 41, that in-service training shall generally be financed through a new specific grant.

I am pleased to say that details of the proposed administrative framework for the new scheme will be issued for consultation very shortly. As to resources, the funds to be made available for next year will have to be determined as part of the overall LEA expenditure settlement for 1987-88. The Government's intention is that most types of expenditure on in-service training, including those currently eligible for assistance through the present pooling and grant arrangements, including TRIST — TVEI-related in-service training — should be eligible under the new scheme.

[Mr. Baker]

I should like now to consider the introduction of the GCSE. My predecessor announced in 1984 the Government's intention to go ahead with the reform of the school examination system at 16-plus, and that decision was welcomed by virtually everyone concerned with education in our schools.

Since 1984, there has been systematic and thorough planning for the introduction of the new examination system. Pupils will begin their GCSE courses in September of this year, and the first examinations will be taken in the summer of 1988.

We have made it clear that the purpose of the GCSE is to raise standards. The examination, which combines the O-level and CSE grades, will build on, and so reinforce, what is good in the curriculum in each subject. It will be designed to help all pupils — the lower attainers, the average, the above average and the ablest — to show achievement in positive terms.

Some people have expressed anxiety about the availability of GCSE syllabuses. I am glad to tell the House that the Secondary Examinations Council has to date approved 271 syllabuses. All subjects and all examining groups are well covered. many of these have reached the schools, which have had them in draft for some time, and the remainder are following in a steady flow. All are expected to be in schools this month.

Training for the new system is vital. We have committed £10 million towards in-service training for the GCSE, and we have allowed schools to close for two training days this term. We will see that our future arrangements for in-service training fully reflect the importance of the GCSE. Of course, pupils need books and equipment. We have already said that we will pay education support grants for extra books and equipment for the GCSE up to total expenditure of £10 million in 1987-88, and at least a further £10 million in 1988-89.

Over and above the substantial provision that has already been made, I have been considering whether it would be right to provide additional resources for books and equipment for GCSE courses. Local education authorities have already budgeted to spend some £40 million on books and equipment this year for this purpose. As one example, my own authority, the Surrey education committee, decided last month to spend £1 million to support the introduction of the GCSE. Therefore, resources have already been provided by local education authorities.

However, I am satisfied that, in addition to the funds that have already been committed, a further increase in expenditure is needed. I have considered this carefully and I have decided that a further £20 million on books and equipment should be spent in the current year. This is new money for the education service over and above present plans. Some £15 million will be an addition to relevant expenditure for local authorities in England and Wales and will be supported by education support grant at the rate of 70 per cent. Grant-related expenditure will be raised to take account of the 30 per cent. contribution made by the LEAs. My right hon. and noble Friend the Secretary of State for Employment is making £5 million available through the Manpower Services Commission for the provision of scientific and technological equipment.

The House will recognise that in proposing to use the mechanism of education support grants I am going beyond the undertaking offered by my right hon. Friend the Member for Leeds, North-East last December to keep expenditure for education support grant, apart from midday supervision, within the original ceiling of 0·5 per cent. The consequences of that which I am proposing today will take the expenditure beyond this figure but within the ceiling of 1 per cent. permitted by the Act. I think that the House will agree that that increase should be approved.

The additional expenditure now proposed amounts to over £4,000 per secondary school and over £30 for every fourth year pupil. It demonstrates the Government's commitment to the successful introduction of the new examination system. Taking account of the £10 million being made available for training this year and the £40 million which local authorities have committed in their budgets, a total of £60 million to £70 million is now being targeted to the introduction of the new examination. This represents a substantial commitment by both central Government and local government. I am confident that our decision will be welcomed not only by local education authorities which have pressed me for this and which I met this morning and by parents whom I met last week, but also by the teachers. I now look to the teachers to match the Government's commitment by taking their full part in the remaining phases of training for the new system and by giving the new examination the best possible start in September.

Making GCSE a success is important, but even more important is to make a success of school education as a whole. I remember one of the letters I got from a rather aging uncle. In it he said that H. G. Wells wrote that the race is "between education and catastrophe". That transcends political considerations and is a wise observation. The Bill creates the conditions which will powerfully promote the objective of improved education. It will do that by strengthening the position of the school, increasing the influence of parents, and promoting effective teaching. That is why it is important. It deserves a Second Reading.

4.24 pm

Mr. Giles Radice (Durham, North): I begin by congratulating the Minister once again on his appointment. As he knows, his job is vital, not just for his party's prospects at the next election, but for Britain as a whole. I understand that the right hon. Gentleman was especially anxious to be appointed Secretary of State for Education and Science. That is a necessary but not sufficient qualification for a job. I hope that in his case his desire for the post is not merely because he sees education as a useful stepping stone on his way to the Tory party leadership. If he is thinking about the famous precedent for such translation, the Prime Minister, I advise him to forget it. His party is far more likely to turn to a younger man or woman — for example, his Minister of State.

Mrs. Elaine Kellett-Bowman (Lancaster): Get on with the Bill.

Mr. Radice: I am glad to welcome the hon. Member for Lancaster (Mrs. Kellett-Bowman) to the debate. I hope that she will contain her impatience. Education, and therefore the job of the Secretary of State for Education, has never been more crucial for the future of Britain. As many studies have shown, in relative terms we are a badly

educated and badly trained nation and, as the Minister said, we have to put that right. Commitment to education must be the right hon. Gentleman's first and basic premise. We are told that he found favour with his leader because of his presentational skills. The Prime Minister may well think that the medium is more important than the message. It is fair to warn the right hon. Gentleman that he will be judged not by how well he sells himself or his party, but by the effectiveness of what he does. To quote a political slogan associated with his former mentor, the right hon. Member for Old Bexley and Sidcup (Mr. Heath), what is now needed is action, not words.

When the Bill was first published, the publicity machine of the Department of Education and Science characteristically, but unwisely, proclaimed it the most important piece of legislation since the Education Act 1944. It is certainly a big Bill in the number of its clauses, lines and words, but the real test of importance is not the size of the Bill, but how far it tackles the great education issues that face the country.

Whatever else may be said about the Education Act 1944, which was the product of a coalition Government and was introduced by a distinguished Conservative Secretary of State, Mr. R. A. Butler, it did a number of things that were crucial in the context of the time. It laid down a relationship between central and local government that has lasted for over 40 years. It underwrote a historic compromise between Church and state over education. For the first time it provided free secondary education for all. Above all, it was accompanied by a new attitude to state education and to the provision of adequate resources for that education. The Bill is simply not in that league.

Let us consider the context in which the Bill is being introduced. Many people have described that context as one of acute crisis. Certainly most observers would agree that education is in a mess which is largely of the Government's creation. First, in a number of key areas our schools are desperately short of cash. Secondly, our teachers are underpaid and demoralised. Thirdly, far too many of our pupils are being deprived of adequate educational and training opportunities. Fourthly, we need to do much more to raise education standards.

I do not apologise for stressing the need for more resources. Of course money is not the whole answer and resources must be more effectively managed. As the Audit Commission points out, that includes the Secretary of State as well. As the Secretary of State's own inspectors warned in the week in which he was appointed, we shall not be able to overcome the crisis in our schools or meet the demand for raising standards without substantial extra funding for buildings, books and equipment, teacher training and for teachers' pay amongst other things.

We are told that, unlike his predecessor, the new Secretary of State will fight in Cabinet for more money for education. We welcome that and wish him well in his battle. As he knows he will have to overcome determined opposition from the Chancellor of the Exchequer and the Prime Minister, who have made quite clear their hostility to realistic increases in public spending and their preference for pre-election tax cuts. The Bill contains no significant extra resources for those or any other matters.

I congratulate the Government and the Secretary of State on the decision to announce more resources for the GCSE examinations. The local authority organisations, teachers' organisations and the Labour party have been arguing for this for some time, and I congratulate the Secretary of State on having listened to us and accept our case. I hope that the GCSE examination will now go ahead without the trouble that has so far been experienced.

Mr. Richard Hickmet (Glanford and Scunthorpe): Does the hon. Gentleman agree that the additional resources that my right hon. Friend the Secretary of State has announced for extra books and equipment so that the GCSE can be properly funded are adequate for the introduction of the examination?

Mr. Radice: If the resources are for this year, they will be adequate. That is a useful addition.

Mr. Harry Greenway (Ealing, North): Next year the Opposition will want £100 million.

Mr. Radice: We asked for £20 million, as the hon. Gentleman will notice if he reads the Order Paper. There is now £20 million more for this year, and we congratulate the Government on providing that money.

Mr. Peter Hardy (Wentworth): The Government may feel that they have provided adequate financial resources for next year's GCSE courses, but have they not left the schools with remarkably little time to ensure that the new examination is implemented effectively?

Mr. Radice: We have said that this has been a rush job and that there has been inadequate preparation. However, the Government are going ahead with the examination, and in those circumstances more resources are needed. We have argued for that, and the Government have listened. We congratulate them on that. We want them to produce more resources for the years ahead.

We should also look at how the Bill improves teachers' morale and ensures that they are properly paid. The short answer is, not at all. These are crucial issues. Every week I visit schools in different parts of the country — a practice that I recommend to the Secretary of State. Morale in staff rooms is at an all-time low. There is a strong case for appraisal, and it is true that one cannot get progress in education without good quality teachers, but I warn the Secretary of State that unless the Government ensure that teachers' efforts are properly appreciated — and properly rewarded — all the clauses in the Bill designed to improve teacher quality will prove ineffective.

Mr. Jonathan Sayeed (Bristol, East): Will the hon. Gentleman confirm that teachers are, on average, £800 a year better off than they were in 1979?

Mr. Radice: I cannot confirm that, because I do not carry such figures in my head. I can confirm what I have already said. Teachers believe that they are badly paid. I have heard Ministers agree that that is so, and I should like the Government to accept the further point, that teachers are demoralised.

Mrs. Kellett-Bowman: Thanks to the NUT.

Mr. Radice: It is not thanks to the National Union of Teachers or to the National Association of Schoolmasters, but thanks to what teachers are thinking. If the hon. Lady doubts me, I invite her to join me in some of the classrooms in her constituency and in Lancashire, where I was yesterday.

The Minister of State, Department of Education and Science (Mr. Chris Patten): Following the intervention of my hon. Friend the Member for Bristol, East (Mr. Sayeed), I may be able to help the hon. Gentleman. I think

[Mr. Chris Patten]

I am right in saying that, following the pay increases that they have received since March, teachers will now find themselves on average 15 per cent. better off than they were when the Government came into office. Roughly translated, that is in excess of £1,500.

Mr. Radice: The Minister states that as a fact, but we shall have to check it. During other debates, I have been given "facts" by the Government that have subsequently proved to be inaccurate. I accept what the Minister says, for the time being, but I shall check it.

In sharp contrast to the 1944 Act, the Bill does nothing to contribute to widening educational opportunities. For example, there is nothing in it about ensuring that all three and four-year-olds whose parents wish it should have a nursery place, despite the demand for increased nursery provision. There is nothing about providing comprehensive education for all —

Mrs. Kellett-Bowman Hear, hear.

Mr. Radice — even though, wait for it, authorities such as Gloucester and Devon — hardly burning Socialist areas — are now pressing to be allowed to become comprehensive. There is nothing about assisting more young people to stay on at school after 16, although the percentage in full-time education has fallen significantly. *[Interruption.]* I am surprised that the hon. Member for Ealing, North (Mr. Greenway) is not more concerned about the fact that the percentage in full-time education has fallen significantly in the past two years. I should have thought that that fact would worry him, and that he would be concerned that the Bill does nothing about it.

There is nothing about giving a more secure basis for further adult and continuing education, despite the need to re-equip and re-skill our population. All these advances will be necessary if we are to do what the Secretary of State said and compete with our competitor nations, which are already providing such services.

Even on the question of raising educational standards, which has been the great cry of the Conservative party for at least 10 or 15 years, the Bill does not contribute much that is constructive. We strongly support the increase in parental representation on governing bodies proposed in the Bill.

Mrs. Kellett-Bowman *rose*—

Mr. Radice: I shall not give way.

Some good may also come of the teacher training provision, but only if the Government provide the cash, as the Secretary of State was careful not to do today, and if they take local authorities with them.

Mr. Greenway: Give way to my hon. Friend for Lancaster (Mrs. Kellett-Bowman).

Mr. Radice: No, I shall not give way. I have given way three times already, which is more than the Secretary of State did.

There is a strong case for appraisal, but not if it is imposed from the top, as envisaged in the Bill. I recognise that the Secretary of State would much prefer this to take place voluntarily, but I do not see why there should be reserve powers in the Bill.

There is little in the Bill to encourage greater involvement by parents in the education of their children, and nothing to ensure that parents' complaints are properly dealt with.

Mr. Robert Key (Salisbury): What about annual meetings?

Mr. Radice: I am in favour of annual meetings, but the hon. Gentleman, with all his experience, knows that annual meetings are no substitute for close involvement by parents in the education of their children. There is nothing in the Bill that will help to ensure that all local authorities provide adequate minimum standards of provision. It is a significant sign of the Government's complacent attitude that the Bill repeals the requirement laid down in the 1944 Act for the Secretary of State to make an annual report to Parliament. While the Government are putting obligations on others, they clearly want to remove their own responsibilities.

For all the hype, when it started its journey and before it went to the other place, the Bill was about the composition, organisation and function of school governing bodies. Of course this is an important topic, but it will not change the education system in this country overnight. The right hon. Gentleman would not claim that it would. However, school governing bodies can and should have a significant influence on schools. I do not think that these bodies can ever be more important than teachers, pupils or even parents in their day-to-day relations with schools.

The movement for reforming the composition of these governing bodies began with the Taylor report prepared under the previous Labour Government. I am surprised that the Secretary of State, unlike the Ministers in another place, did not have the generosity to pay tribute to the pioneering work of the Taylor committee. The Labour party strongly supports the increase in the number of parents' representatives. We believe that the formula contained in the Bill is far superior to the Green Paper's original proposal because it increases the number of parents without placing them in the majority. This is an improvement but it still does not do enough to recognise the need for partnership and balance so strongly recommended by Taylor and emphasised by local authorities, parents, and teachers' representatives.

Teachers are under-represented. This is contrary to the formula put forward by Taylor, and there is no provision for pupil representation. I do not believe that the Bill contains adequate provision to ensure that those involved in industry should be more closely involved in the governing of schools, and there is not adequate provision for community representation.

These matters should be corrected in Committee. Unfortunately, one of the problems that we have seen during the Bill's progress through the House of Lords is that the Government have not been prepared to listen to arguments. We also believe that the Government have failed to reach a formula on powers and functions over the curriculum, discipline and appointments that can achieve a genuine partnership between local authorities, governing bodies and head teachers.

There is ambivalence and a confusion of wording which reflects a confusion of thought which the House must resolve with the passage of the Bill. Despite a number of amendments in the other place, there has been little

movement by the Government during the Bill's passage. The Government have been prepared to move only when pressure has been brought to bear on them by their hard Right.

A number of amendments were carried in the other place. I hope that the Secretary of State will listen to me when I tell him that I am disappointed in what he had to say. He appeared to be attempting to appease the Right. The first amendment moved in the other place by the Cox and Marks machine related to political indoctrination. Clause 16, in subsections (3) and (4), puts the obligation on local authorities governing bodies and head teachers to forbid the promotion of partisan political views and activities in schools.

That sounds unexceptionable, but how do we define partisan in its practical application? In its strict definition, neither the Secretary of State nor I would be allowed to talk about our political beliefs or policies in schools, but surely such views should be part of the general education of young people. They should be aware of the views of political parties on matters of public concern. We must examine that problem.

Clause 24, on sex education, was inserted into the Bill literally at the last moment in another place by an amendment moved on Third Reading. The clause puts the obligation for sex education on authorities to ensure that

"It is given in such a manner as to encourage those pupils to have due regard to moral considerations and the value of family life."

That seems to be a statement of the obvious. Clearly sex education ought to be, and as far as I know is, always taught in a sensible manner. The Secretary of State did not give any examples to the contrary, and I have not heard any. I would be interested to hear any examples of where it has not been taught in a sensible manner, where it was wrong and not in the best interests of pupils. I do not believe that a general clause of this kind helps to ensure that sex education is properly taught in schools. Is this not a matter that could better be dealt with by the Secretary of State's inspectors, who could issue proper advice and ensure that it was carried out?

There was also a fiasco over the new clause on the freedom of speech in higher education establishments, again introduced by the Government on the hoof on Third Reading. The chairman of the Committee of Vice-Chancellors and Principals has warned the Secretary of State that although the universities are unequivocal in their support and defence of freedom of speech and lawful assembly—as are the Opposition—the clause as drafted would led to vexatious legislation and could actually inhibit freedom of speech. Yet the Secretary of State is still intent on introducing a new clause in Committee. He has not shown so far that he is aware of the warning from the vice-chancellors.

More generally, there is no guarantee that if the Tory Right has its way, a host of other amendments will not be put forward in Committee or on Report. Having heard some of the sedentary noises this afternoon, I am sure that amendments will be made.

The Observer was correct to warn:

"The Education Bill, hailed as the most important piece of legislation since Butler's 1944 Act, is beginning to look like a resting place for floatsam and jetsam from whichever pressure group happens to be pressing at the time."

Mr. Nicholas Baker: Will the hon. Gentleman give way?

Mr. Radice: I shall not give way. I have give way three times already. I know that other hon. Members wish to take part and I must complete my speech and allow them to make their speeches.

The House will be aware of the background to the issue of corporal punishment. A ruling was made by the European Court of Human Rights in February 1982. It ruled that where a person holds a conviction against corporal punishment, it amounts to a philosophical conviction which is protected by the European convention on human rights. In response to that the Government introduced the Education (Corporal Punishment) Bill, which was designed to give parents the right to exempt their children from corporal punishment. The Bill was widely condemned in both Houses of Parliament as unworkable, and it was abandoned when a key amendment was introduced in the other place.

The problem is that most local authorities currently leave the decision with the school and that practice continues in direct contravention of our obligations under article 2 of the European convention on human rights. We did no hear much on that point from the Secretary of State. To remove that contravention and produce a workable and humane system of discipline, an amendment was carried in the other place which effectively abolished corporal punishment. They may have been defective in their wording but that was the intention of the amendments in another place

Mr. Silvester: As a Conservative Member who voted against the Education (Corporal Punishment) Bill, may I ask why it is that the decision of the European Court cannot be met by the local authority providing a choice of schools so that a person who has an objection can choose a school in which corporal punishment does not operate? Why should that apply to all schools?

Mr. Radice: That is theoretically possible, but I believe that it would be unworkable in practice. That is the short answer. The Secretary of State said that the Government would be prepared to allow a free vote on the issue. Having listened to the Secretary of State, how free will that vote be? What will the payroll vote do? We have heard the Secretary of State's view—

Mr. Kenneth Baker: A free vote is a free vote is a free vote. I made my position clear. I am the present holder of the office of Secretary of State for Education and Science, and I thought it right to make my personal position clear to the House and to all those who are engaged in education, but that does not bind any other member of the Administration.

Mr. Radice: The Opposition will vote for abolition, as we did on Second reading of the Corporal Punishment Bill —[HON. MEMBERS: "A free vote?"] We have heard the Secretary of State's view — he spoke with all the authority of his office—that we should continue to leave the decision about corporal punishment to the schools. He has said, in effect, that we should continue to remain in contravention of the decision of the European Court of Human Rights. That is the consequence of what he has said. Basically, that is a cop-out. I believe that the right hon. Gentleman has been yielding to the pressure from No. 10. We know that the Prime Minister has made her views clear in the newspapers. The Secretary of State has yielded to the pressure of the Prime Minister and to that of Conservative Members on the Right wing.

[Mr. Radice]

What position are the Government proposing to adopt in Committee? This is a crucial issue. Do the Government intend to move amendments in Committee? What will they do? If the subsection is removed in Committee, it will be difficult to restore it on Report. I am not satisfied by what the Secretary of State has said so far.

Mr. Kenneth Baker: Whatever may happen in Committee, an opportunity will be provided on Report for the House to come to a decision on this issue. I re-emphasise that Conservative Members will have a free vote.

Mr. Radice: I am glad about that. However, the right hon. Gentleman has still not answered my question.

Mr. Jerry Hayes (Harlow): On a point of order, Mr Deputy Speaker. We have heard from my right hon. Friend the Secretary of State that the Government will not be imposing a Whip on this matter. The hon. Member for Durham, North (Mr. Radice) has been asked repeatedly what his position is and it seems that he is not able to answer us. Would it be proper, in the circumstances—

Mr. Deputy Speaker (Sir Paul Dean): Order. The hon. Gentleman is raising a debating point and not a point of order.

Mr. Hayes: Further to that point of order, Mr. Deputy Speaker. I ask that the shadow Leader of the House be brought before the House to make a statement so that we know what the Opposition's position is.

Mr. Deputy Speaker: I repeat that the hon. Gentleman has raised a legitimate debating point, but not a point of order for the Chair.

Mr. Radice: I have made it clear on a number of occasions that the Labour party is against corporal punishment. I do not know what the problem is. It is good to see the hon. Member for Harlow (Mr. Hayes) in his place and listening to the debate. I am sure that he is glad to be with us, though he has only recently entered the Chamber.

Mr. Sayeed: Will the hon. Gentleman give way?

Mr. Radice: No.

I have learnt over the past few years that, with Britain's responsive system of decentralised local government, educational advance must be based on consensus. The greatest failure of the previous Secretary of State for Education and Science was his inability to create the necessary consensus for action. That was his problem. If the new Secretary of State is to succeed, he must bring teachers, local authorities and parents together. That represents a difficulty for the Government, because everyone knows that "consensus" is a dirty word in Thatcherite circles.

I remind the Secretary of State that the 1944 Act had a wide measure of cross-party and non-party support both within and outside Parliament. That was the position with the Bill until certain amendments were introduced in Committee in another place. Mr. Stuart McClure's book on education documents refers to the 1944 Act and states:

"This Act was the result of prolonged negotiations with interested bodies of all sorts, including the churches, in which R. A. Butler and Chuter Ede, then respectively President of the Board of Education and Parliamentary Secretary in the wartime coalition Government succeeded in achieving a large measure of agreement."

That is what the new Secretary of State must try to do. Despite the consultations over governing bodies, and despite the Bill having been introduced in another place, it is rapidly becoming extremely divisive. I have already referred to the efforts of the reactionary tendency to introduce all its pet prejudices into the Bill by the back door.

Another serious problem is that the Government are not prepared to listen to sensible ways of amending the Bill to improve the balance and quality of representation on governing bodies or to reduce the potential conflict between local authorities and head teachers.

It was to try to create the necessary consensus behind the Bill that the Opposition proposed adopting the Special Standing Committee procedure, which, like a Select Committee, would enable interested parties — local authorities, parents and teachers — to put evidence before the Committee and to be questioned upon it. Such a procedure would enable Members to come to a decision based on the hard experience of practitioners and not on their prejudices or on DES blueprints. Above all, it would show that the new Secretary of State is serious about creating consensus and agreement. Unfortunately, the Government have failed so far to respond to our representations. I urge the Secretary of State and the Minister of State to reconsider the position and to tell us this evening that they have changed their minds.

The trouble with the Bill is that it fails to address the real educational problems of underfunding, poor morale, inadequate opportunity and the need to raise standards. Judged by what is really needed, it is a poor mouse of a Bill. A number of half-baked and pious clauses have been added to it, or are proposed, that do nothing and will do nothing to help solve our educational problems, and could make them worse. The truth is that the Bill is in danger of becoming Baker's "half-baked" Bill, and I therefore advise my colleagues to decline to give it a Second Reading.

4.59 pm

Mr. Patrick McLoughlin (Derbyshire, West): I am grateful to you, Mr. Deputy Speaker, for calling me in this debate. I am even more grateful to the people of Derbyshire, West, for giving you the chance to do so. The House sat for a long time last Thursday, but that sitting did not seem to be as long as my election day, which was four weeks earlier. After an all-night count, an all-night sitting was not too bad. I would not recommend any all-night session for anyone, especially if his wife is five months pregnant.

I draw some comfort from the fact that what was probably the longest count took place in Derbyshire, but in the north-east and not in the west, during the general election of 1922, when the count commenced at 10 am on Thursday and was not completed until 1 pm the following day due to three recounts and four adjustments.

The Duke of Devonshire was one of my predecessors in the House. The story is told that one day he turned to a colleague and said, "Oh, how I hate having to make a speech," to which his companion replied, "I don't mind a bit, I just can't bear listening."

It is custom for a maiden speech to follow a set pattern in paying tribute to one's predecessor. This I can do with tremendous sincerity on this occasion for my predecessor,

Matthew Parris, was seen as a man of independent mind and was well respected, from what I have been able to gather since I have been in the House, on both sides of the Chamber. He had served the constituency in a very conscientious manner. Indeed, his is a very difficult example for me to follow, but I will try my best for the people of Derbyshire, West. It makes a refreshing change to see somebody going by choice from this House into the world of interviewing. Many go when they have been rejected at the ballot box, but not many by choice.

At one press conference in my campaign, I was interviewed on a barge on the Cromford canal. There a television interviewer from "Newsnight" — that is the programme that keeps getting the polls wrong — said that Matthew was somehow bettering himself. Well, Mr. Hannah would say that, would he not? However, I am sure that all hon. and particularly right hon. Members will wish Matthew well in his new and challenging job. I say, particularly right hon. Members, because they will face the excellent cross-examination that I am sure he will give them in weeks to come on a Sunday television programme.

I am of the opinion that I have the honour to represent one of the most diverse yet beautiful constituencies in the country, from its rolling hills, its unique villages and its industrial areas, to its agricultural heartland. It has lush agricultural areas, bleak moors and hill farming where people work very hard for long hours to make a living. It is, of course, well known for its various kinds of food. Its Bakewell pudding featured on television more than once during the campaign. When Lord Whitelaw was seen eating one, a lady said that she thought that the Prime Minister would not take kindly to noble Lords eating it in public, but he commented that excellent food could be eaten anywhere. In addition, we have Hartington Stilton and Thortons confectionery. Ashbourne water is famous throughout the country, but not, it seems in Brassington, a few miles from Ashbourne, where one village inn sells only a French substitute, nor at certain functions in the House of Commons where only the same French substitute can be seen.

Politically, Derbyshire, West is known for its by-elections. One newspaper said that it was the seventh in the last 100 years. I truly hope that there is no need for another one for quite some time to come.

Having just arrived from a by-election campaign, I should like to place on record my thanks to the Officers of the House and staff for their great help and assistance in my first few weeks.

It is an honour and privilege to take part in the debate on a subject that was frequently mentioned in my campaign. I should like to thank my right hon. Friend the Minister of State and the Under-Secretary of State for Education and Science, my hon. Friend the Member for Buckingham (Mr. Walden), who came and helped in the campaign. Of course, my right hon. Friend the Secretary of State came also, but in a different capacity.

A number of people were extremely concerned about education. There was no doubt that a great number of very good teachers were concerned about the way in which their profession has become demoralised. I hope and trust that we shall do all that we possibly can to ensure that the teaching profession is rightly rewarded for the difficult and essential job that teachers have to do.

It is essential that we ensure that teaching staff feel that they have a profession because, although there are some bad teachers — and we need to ensure that there are ways of retraining or removing them from the teaching profession — the vast majority of teachers are excellent and dedicated and need their reward.

However, just throwing money at the problem is no answer and no solution. There are without question many problems facing local education authorities, and I accept that the fall in school rolls means that there are some difficult decisions to be made. I hope that these decisions can be taken without political bias creeping into them.

Education became such an issue in my campaign that I have taken the opportunity in the last few weeks to visit a number of schools in my area, including Queen Elizabeth grammar school in Ashbourne, which, without question in my opinion, needs more money to be spent on refurbishment. Yesterday, although it seems a long time ago, I visited Ecclesbourne comprehensive school, from which the county council is currently considering removing sixth form facilities. The school has what can only be described as an excellent record in its sixth form achievements. Fifty-five per cent. of the pupils stay on into the sixth form. I believe that this figure is considerably higher than the national average. The school has another 20 per cent. going into further education.

These figures and these statistics are, indeed, a great credit to Ecclesbourne comprehensive school. It would be a great pity and a mistake if the sixth form was to be closed. Indeed, it would cost a considerable amount more to bring in a tertiary system for the school. I hope that the county council will not attempt to close the sixth form at Ecclesbourne — although, if it were to do so, it would lead to a major campaign, which I certainly would support, to ensure that the sixth form remains.

In my election campaign, Highfield school in Matlock had the rare honour of visits by the right hon. Member for Islyn (Mr. Kinnock), the Leader of the Opposition, the right hon. Member for Plymouth, Devonport (Dr. Owen) and a famous author, the deputy chairman of the Conservative party. The school was, indeed, very well served in the campaign. I hope that the pupils learnt a lot from the experience of having been visited by such senior politicians.

In welcoming the Bill, I believe that it gives a fundamental shift to the governing body in the management of the school for which it is responsible. I very much welcome the balancing out of the school governing body. I also think that clause 25, which will ensure that extra information, statistics and facts are available to the school governing body, is to be welcomed. I believe that it is essential that schools are seen to be not political instruments but places where one can receive school studies without the addition of political indoctrination. The Government must ensure that proper provisions are made for training and some thought given to the way in which we elect the governing bodies of schools.

I am a product of state education. Some may say that this proves that some improvements are needed. I believe that the Bill makes valiant strides in that direction. I wish it well, as I wish well the future of state education.

5.7 pm

Mr. Clement Freud (Cambridgeshire, North-East): It gives me great pleasure to speak after the hon. Member for Derbyshire, West, (Mr. McLoughlin), who won such a memorable, if marginal, victory against our candidate, who gave him such spirited opposition throughout that campaign. I want to tell him that, now that the ordeal of

[Mr. Clement Freud]

the maiden speech is over, it goes uphill from here on, and we shall all look forward to hearing further and other contributions from him during his stay in Parliament.

I want first to welcome the speech of the Secretary of State for Education and Science, and particularly the new input into GCSE, especially as this will be new money for which we have always asked and which he has now given. On behalf of the alliance, I want to say that £20 million seems to us the right sum; we shall stop saying, give us more money, and undertake to be content with this input.

The Minister has persuaded us that GCSE must come this year and now the Secretary of State has enabled the finance to be made available. I wish him and the GCSE well.

When the Bill was conceived and published there were many issues that we thought it proper for the Bill to cover. We thought it essential that there should be legislation to deal with such matters as Poundswick, Honeyford, and the fact that LEAs sometimes abuse their powers by packing boards of governors with their political appointees. We needed legislation to stop the delays in determining closures and re-organisations, and to implement the Taylor report, nine years on. We think that there is also a good argument for introducing fixed terms for headmasters and for making greater provision for nursery education.

But in 55 clauses and five schedules we have something that the former Secretary of State for Education and Science described as

"the largest and certainly one of the most significant pieces of legislation since the Butler Act of 1944",

while Mr. Tyrell Burgess, writing in *The Guardian*, described it as teaching one's granny how to suck eggs in 70 pages. In truth, the Bill is somewhere between the two. It is something of a ragbag, although, in common with the 1944 Act, it is ambigious. Half of what we needed has not been included, and the rest is not as clear as it might have been. The Bill is likely to create more confusion than it solves, and will be of greater benefit to the legal profession than to educationists.

If one is to prescribe every detail, it is essential to get it right. This Bill is neither sufficiently general to give guidance and leave some discretion, nor sufficiently clear to end contention and confusion. We shall vote for the Second Reading hoping that in Committee we can make the Bill clearer and thus create a more helpful measure which we can continue to support at later stages.

On Second Reading, however, I want to discuss some specific issues with which we are not satisfied. The Government seem to believe that there is a simple mechanistic link between formal parental involvement and better education, as if parents had a sort of monolithic entity in defence of the traditional curriculum. The right hon. Member for Leeds, North-East (Sir Keith Joseph) used the term "parent" to denote not a concerned father or mother—and certainly not a single parent—but a neo or closet member of the local Tory party. When he spoke of a parent, he meant someone on whom he could rely for support.

We argue that good education is less likely to emerge from parental involvement, than from an ongoing community-based partnership between parents and teachers, or from tinkering with the structure of school governing bodies, which will make only a limited contribution to that partnership. The Taylor report recommended equal representation for staff, parents, the community and politicians. I am very sorry that in this Bill, "staff" have become "teachers," and that they are not there in numerical equality other than in small schools. As Lord Taylor said in the other place:

"When power is being shared the easiest principle to operate and justify is the simplest; namely, equality."—[*Official Report, House of Lords*, 10 March 1986; Vol. 472, c. 436.]

I want the Secretary of State to think carefully about the difference between staff and teachers. I make it a practice never to go to parent-teacher association meetings unless they become parent-staff association meetings. The caretaker, the school cook and the lollipop lady have considerable relevance to the well-being of an educational establishment. In Committee, I hope that this will be considered and that people other than those who are strictly academics will be eligible to take part in governing the school.

If education really is about partnership, which the Government espouse whenever they are accused of centralisation, and which the Liberal Benches at least take seriously, that partnership must be based on equality of respect and input. As it stands, the two deviations from Taylor turn the Bill away from valuable experience in the form of non-teaching staff, and contain the seeds of the Bill's failure in alienating the teaching force. We argue that the Government cannot legislate against teachers; they need their consent.

I am also sorry about pupil governors. In Committee, we shall seek to amend the Bill in that regard. I do not know what the Government have against young people. They cut their eligibility to benefits, close their access to apprenticeships, eliminate their protection under the wages councils, and then assume that they should take it all lying down by denying them opportunities to take part in the running of their schools. Is that consumer-led education policy? Is that what the former Secretary of State meant when he said:

"I believe in consumer power"?

We want the Bill to be amended so that pupils aged over 16 can be non-voting school governors. When I was rector of Dundee university, students sat on the court of the university. They did not have a vote and, rightly, were not involved when we discussed staff misdemeanours or salaries. Why, at the age of 16, should young people not be in attendance and learn how schools are governed, especially their own schools? I should like to ask the Secretary of State what will happen to those pupil governors already in place who are, by all accounts, doing a good job. What will happen when the Bill is enacted? Will they be instantly kicked out? That would be very unfair.

We have heard much about the functions of the governing body and about the discipline and the curriculum. Despite the Lords amendments, the Bill remains dangerously muddled, leaving a head in the invidious position of effectively choosing either the LEA or the governing body. Those clauses must be tidied up so that the lines of responsibility are clear. The hon. Member for Ipswich (Mr. Weetch) made a most important intervention: there should be an independent appeals tribunal. The local education authorities and boards of governors may frequently not see eye to eye and it is not

good enough to have a local education authority-appointed tribunal to look into such failures to agree. As my hon. Friend the Member for Rochdale (Mr. Smith) pointed out, they are not independent.

If the system of appraisal is to have any chance of working, it must have the consent of those using it—the teachers. We would rather that the provision giving the Secretary of State power to oppose appraisal was not in the Bill, but if it is to remain, we demand at least that it is amended so that non-teaching duties are excluded. Above all, I question the wisdom of forcing through that clause at such a delicate time and in such a clumsy way, over-riding caution and the natural relations between employer and employee.

The Secretary of State made much of the fact that there would be reports from the governors and reports from the local education authorities. Yet clause 49 is sadly and surprisingly entitled:

"Discontinuance of Secretary of State's duty to make annual reports."

Will the Minister explain why everyone must report on what happened with the exception of the Secretary of State?

I am sorry that the Secretary of State did not much like my intervention on the subject of the famous clause introduced on Third Reading in the other place. I maintain that it ill becomes a party that filibusters to gag a motion criticising the Government in the House of Commons to come out for free speech in our universities.

We consider the amendments regarding sex education and political bias to be unnecessary if the clauses on the powers in the curriculum are put right. One cannot legislate for a broad distribution of power between the LEAs, the head teachers and the governing bodies and then lay down two areas where the Government are to have effective control. That is a contradiction that is unnecessary and irrelevant.

I was sorry to hear the Secretary of State's contention that sex education should deal heavily with the family. It is right to take sex in the whole context of love and affection, but to speak too much about the family, when an ever-increasing number of children in our schools have no family, is unhelpful. I hope that he will think again. Let us widen the concept of family to include relatives, even if they have got away from, hid from and run away from each other.

This Bill is little more than window dressing, diverting attention from more important educational questions such as teachers' pay. The Bill shows that people are not to be trusted, for all the clauses therein would, in the best of all worlds, be settled by good practice. I am sorry that in this case we need legislation and to some extent more effective legislation—so we must clear it up. I am sure that we shall argue for many weeks in Committee on many of those points.

Let me end as I started. I wish the Secretary of State well. I am deeply grateful to him for removing the country's overriding fear that the GCSE examination, which we all support, would not take off because of insufficient funding. He has found the money and he has our good wishes, for his term of office and for an improved Bill.

5.20 pm

Sir Geoffrey Finsberg (Hampstead and Highgate): This is the first time in 16 years that I have had the chance of congratulating a colleague on his maiden speech. As one ex-underground miner to another, it is appropriate to offer my hon. Friend the Member for Derbyshire, West (Mr. McLoughlin) my warmest congratulations. We worked in the same coalfield, in the east midlands. I know the sorts of seams in which he worked. I agree that deep down the average miner is a staunch conservative, with a small c, and will support the defence policies of the leader of the Social Democratic party, not those of the Liberal or Labour party.

I compliment my hon. Friend on a moderate, modest and knowledgeable speech. It was clear that his local government experience was of great help to him. I know that when we hear from him again he will join us in some rather more robust speeches when he attacks the Opposition.

I also welcome, not merely in trite terms, my right hon. Friend the Secretary of State, who is also my old campaigning friend. He does a superb job wherever he is asked to perform. We are fortunate that in education he is now fighting hard.

We have listened to the hon. Member for Cambridgeshire, North-East (Mr. Freud), but it is sad that we do not see the SDP education spokesman.

Mr. Gerald Bowden (Dulwich): Nobody knows who he is.

Mr. Freud: His is here.

Sir Geoffrey Finsberg: It is fascinating if he is here because no one knows who he is. I wonder whether we heard Liberal policy or alliance policy. Whichever it was, it was no policy. It was picking up a bit of an item here, looking at it and saying, "Well, if we had suggested it, it might be a good idea, but coming from this Government it cannot be." That was all that we heard in a rather strange speech. The hon. Member for Durham, North (Mr. Radice) copped out in his inability to tell us whether his colleagues would have a free vote on the issue of corporal punishment. He said, "But, of course, it is Labour party policy." This means that there will be a three-line Whip to make Labour Members vote for the retention of the clause or the abolition of corporal punishment. I hope that the public will take that into account.

I want to concentrate on three points. I welcome the principle of assessment. I also hope that it will come into operation by agreement, but if it has to be brought in by regulations, so be it. Assessment is common in industry —those of us who are personnel specialists know that it is fair and practical. It is long overdue.

Those of us who have visited British schools over many years and have been governors and managers know that there are some appalling teachers and some superb teachers. Why should they get exactly the same salary? Why should children be subject to a lottery of which of those two types of teacher they receive? I wish to see the poorer teacher helped to attain the standard of the better teacher. That is what assessment is all about.

I am delighted that in Committee the Government will introduce an amendment that will allow free speech at universities. As a former governor for 25 years of the Polytechnic of North London, I saw the successful efforts over many years to deny free speech to visiting speakers, and that was monstrous.

[Sir Geoffrey Finsberg]

We need to keep an eye on student unions. Should they still be compulsorily financed? Should they be financed by those who do not wish to join such unions? The continuation of that policy is hardly in line with the freedom of choice that Conservative Members support.

On 2 May I was unable to conduct my normal monthly surgery for a variety of reasons. I received a letter dated 29 April from the president of the university of London's union which said that she was coming to my surgery. I had her telephoned at once because there were fewer than three days before my surgery to say that I was sorry that I could not be there. It is well known that I am always delighted to see people by appointment.

It was subsequently reported to me that there was a mini-demo at my surgery by students. I deprecate that, because that is not what advice bureaux are for, but there is something more sinister. Someone from the university of London sent me a poster which states:

"No housing benefit next year. Demonstrate against your local Tory MP in Hampstead and Highgate. Meet Friday, 2 May . . . go to his surgery and disrupt it."

That is no different from disrupting free speech. When a surgery attended by elderly people with their problems is disrupted, they are scared. It is worse than that, because the poster has on it "Union approved poster". It is approved — this speaks for itself — by Ms. Liz Davies who is said to be a member of the Labour club and is its education and welfare officer. Why does such a poster have the union's official stamp on it?

I have three questions. When my hon. Friend the Minister replies to the debate, will he say simply whether he joins me in condemning this monstrous attack on the advice bureaux which we all hold and where we are pleased to see constituents, of any political persuasion, with their individual problems? Will my hon. Friend condemn that absolutely? Does the hon. Member for Denton and Reddish (Mr. Bennett) join me in that condemnation, because I would make the same condemnation if any Conservative students put up a poster telling people to come and disrupt a Labour Member's advice bureau? Is this now Labour party policy as it was approved by someone from the Labour club?

Mr. Andrew F. Bennett: I make it clear that I deprecate anyone setting out to disrupt a Member of Parliament's advice bureau. It is another matter if someone wishes to demonstrate, but to suggest, as that poster does, that anyone should disrupt proceedings, is to be deplored. However, I make it clear that there is a great deal of feeling about the board-and-lodging elements and other such matters. It would be helpful if at some point in the debate the Government would tell us whether they are backing off the housing benefit issue, as rumour has it that they will do.

Sir Geoffrey Finsberg: That is the sort of answer that I would have expected from the hon. Gentleman. He is an hon. Gentleman and I felt that he would condemn that roundly. As I said earlier, I am always delighted to see people who ask to see me and I try to fix a mutually convenient appointment. However, people must realise that it does their cause and case no good to behave in that childish and stupid way.

I also want to know the opinion of the president of the university of London's student union and the president of the National Union of Students, and I shall be writing to them to ask. I hope that I shall be given a straight answer. I also hope that I shall find out why somebody authorised that sort of poster.

The Bill is important for a variety of reasons. I welcome what my right hon. Friend said about additional resources for the GCSE. I hope, as has been made clear by the hon. Members for Durham, North and for Cambridgeshire, North-East, that the NUT will respond positively at once by giving its wholehearted support. I hope that it will not isolate itself on this issue as it did on pay until its veto was removed.

Finally, I welcome the fact that the Bill will give more parent power to those with children at school. This, if I may say so to the hon. Member for Cambridgeshire, North-East, is community involvement. Parents are there as part of the community. Local authorities are there as part of the community. We do not want any other representatives in that sense, as I think the hon. Gentleman put it, to represent the community.

The Bill also gives more power to governing bodies and lessens the growing politicisation practised not just by some teachers, alas, but by many Socialist local education authorities, which are removing Conservative governors from governing bodies. That is not right. Nor should Conservative local education authorities remove Labour nominees. I served on governing bodies in the days when London's education authority was always Labour controlled. Until recently it practised the principles of fairness and gave seats in proportion to party strengths. That does not apply any more, but the Bill will put that right.

All that I shall say, apart from telling my hon. Friend the Member for Shipley (Mr. Fox), who is Chairman of the Committee of Selection, that I do not wish to be selected, is that I wish the Bill well and hope that it proceeds rapidly on its passage and soon becomes law.

5.32 pm

Mr. Derek Fatchett (Leeds, Central): I hope that the hon. Member for Hampstead and Highgate (Sir G. Finsberg) will forgive me if I do not respond immediately to some of the points that he has just made.

I want, on behalf of my right hon. and learned Friends, to congratulate the hon. Member for Derbyshire, West (Mr. McLoughlin) on his maiden speech tonight. It showed a keen interest in his constituency, and I suspect that before too long we shall hear a much more robust contribution from him. It is appropriate that he selected education as the topic for his maiden speech. I suspect that on the morning of 9 May the hon. Gentleman's numeracy increased somewhat and eventually he was able to count up to 100 with a clear lead over his Liberal opponent. I congratulate him on that result in one sense. He was always able, during the course of that by-election, to state clearly and with principle his party's policies, and that is a course that all candidates in all elections should try to follow rather than seek to deviate for the sake of short-term popularity.

I hope that the hon. Gentleman will not mind if I make one further point. Our paths nearly crossed because I was asked to be the minder — if that is the appropriate modern term—for the Labour candidate in the Ryedale by-election. Perhaps I was fortunate not to go to West Derbyshire, but I am sure that the hon. Gentleman and I had one experience in common and that is that we found

in both those by-elections a growing and keen interest in education. That is why it is appropriate that he should speak on that issue this evening.

I found that more and more parents are anxious about the quality and quantity of education provision. They find it difficult to believe, whatever statistics the Government bring forward, that the quality of education has not deteriorated markedly over the past few years. They expressed that anxiety in relation to their children and in many cases in Ryedale, and I suspect in West Derbyshire, in relation to their grandchildren. There was a real feeling that there was a need to look again at education and to provide the necessary and adequate resources that are so important to maintain standards in education. I was disappointed that the Secretary of State, in his maiden contribution on education, scarcely addressed the question of resources. Whether we like it or not, resources are crucial to an improvement in education standards.

Her Majesty's inspectors recently published a report on the effect of local authority and expenditure policies on education provision in England. It is clear enough from page 6, paragraph 8, that Her Majesty's inspectors accept that there is a link between resource allocation, expenditure and standards. They said:

"Though the relationship between the quality of work and levels of resources is acknowledged to be complex and direct causal links impossible to make, the data and its analysis confirmed that there is a statistically significant association between satisfactory or better levels of appropriate resources and work of sound quality, and between unsatisfactory levels of resources and poor quality work."

The evidence is clear. We need more resources to improve the quality of work. If one looks at the detail of the inspectors' report in relation to the provision of books and the scandalous condition of so many school buildings in Britain, it is no wonder that parents in Ryedale and West Derbyshire and in many other parts of Britain were worried about education standards and provision.

Those worries will not be eased by bringing in pious clauses such as those in the Bill. Those worries will be eased only when the Government have the commitment — not the public relations — to provide the necessary funding and resources to make sure that each and every child in Britain has an acceptable and decent standard of education. The Government, and the Secretary of State in his speech this afternoon, show no commitment towards that objective.

I want to make three detailed comments on the Bill as it stands, or as it may stand after its Committee stage. First, I want to comment on the relationship between local education authorities and school governing bodies on the curriculum. We are running tremendous risks in the Bill if the final responsibility for determining curriculum is vested in school governing bodies rather than local education authorities. I raise that concern with the Minister and I hope that he will respond to it when he replies.

My concern is simply that at a time of scarce resources, when it is clear that in so many schools parents are buying not just luxuries but essentials, it may be possible, if we give the final decision to governing bodies, that those in the more affluent areas of a local education authority, or in a more affluent local education authority, will decide that they want to fund privately, external to the education system, an additional course or teacher. If that power is with the governing body, it will create an unacceptable differential between schools. I hope that that is not the Government's intention in relation to the powers that are given to governors in terms of the curriculum. I feel that the final power in curriculum matters must be and should be vested with the local education authority.

I turn to the proposals that the Bill makes in terms of the relationship between teacher, local education authority, governing bodies and the Government. The Secretary of State said, in opening, that he would like to see an educational partnership. I am sure that all hon. Members would like to see that. I fear that the Bill does little to enhance the possibility of partnership between teacher and Government in two respects. One is of lesser importance than the other. Of lesser importance is the strong argument for giving teachers a greater say in governing bodies. Questions of proportion may need to be debated and decided. It is clear that the Government are not committed to extending the teacher's voice regarding school governing bodies.

I turn to the possibility of introducing teacher appraisal by way of legislation. I feel strongly that appraisal can work only if it is positive rather than negative — positive in the sense that it encourages teachers to improve standards, to have self-appraisal, and to develop self-confidence in the classroom. If the purpose of appraisal is to weed out inefficient teachers or teachers who do not easily fall into a mould, appraisal as a technique will be self-defeating and will create many problems in our education system.

If we are to introduce appraisal by way of regulation and legislation, the consensus that is so important for that partnership to which the Secretary of State referred will disappear. The teachers are close to a possible agreement at the Advisory, Conciliation and Arbitration Service regarding appraisal. Appraisal imposed by the Government would be much more difficult. I think that teachers of all unions and of all political complexions will resist and resent the Government imposing appraisal on them.

I turn to a matter that is not in the Bill as it stands but to which the Secretary of State referred — that is, a clause to ensure the freedom of speech in higher education institutions. As one who wholeheartedly supports freedom of speech, I fear that the Government are likely to make the problem worse rather than better. We must recognise that there is no such thing as an absolute freedom of speech. Parliament and legislators have always taken the view that freedom of speech must have conditions and limits. When Conservative Members look as if I have come forward with some profound revelation, it is no such thing. The libel laws have always limited our freedom of speech. For instance, Parliaments have limited freedom of speech in respect of racial comments and racial incitement.

Mr. John Carlisle *rose*——

Mr. Fatchett: I shall give way to the hon. Gentleman in a few moments.

We are not talking about an absolute freedom of speech. It is much more difficult to draft a concept that is not absolute. I fear that drafting a non-absolute concept will lead to the difficulties to which my hon. Friend referred. I shall give way to the hon. Member for Luton, North (Mr. Carlisle) because he may wish to respond to my comments. It would be unfair not to allow him a bite at the cherry at an appropriate point for him.

We have never seen freedom of speech as absolute. If we provide freedom of speech, we have a responsibility not

[Mr. Fatchett]

to abuse it. I think that there is plenty of evidence to show that freedom of speech is deliberately and concertedly being abused by members of the Conservative party to provoke violence and reaction on university and polytechnic campuses. I shall cite my evidence, which is fairly substantial. I refer to an article which appeared in *The Guardian* on Saturday 31 May this year. The article said simply:

"A leader of the Federation of Conservative Students wrote to an organiser of the British National Party proposing joint 'direct action' to disrupt the meetings of left wing students."

Where are the voices raised in the Conservative party on such issues? Will the Minister and the hon. Member for Luton, North condemn those tactics?

Before the hon. Gentleman gets to his feet and condemns them, he might refer to the guide produced by Gordon Libby, another member of the Federation of Conservative Students. The document, entitled "The Gordon Libby Guide to Disrupting NUS Conference", was published in 1984. Obviously, it is essential reading for all the hard men of the Right wing of the Conservative party. It is worth while looking at the tactics set out in Gordon Libby's guide because they have been repeated on university and polytechnic campuses in this country. The guide included thoughtful recommendations such as:

"Always be provocative. Remember you are not here to persuade the closed minded leftists, you are here to wind them up so much they lose control and disrupt the conference".

It is suggested that they should shout out things like "You red fascist scum." *[Interruption.]* I am glad that the hon. Member for Gainsborough and Horncastle (Mr. Leigh) is much amused by those comments. When members of the Conservative party talk about free speech, they must dissociate themselves from the tactics and behaviour of the Federation of Conservative Students.

I have provided the chairman of the Conservative party, the right hon. Member for Chingford (Mr. Tebbit), with a full dossier on the behaviour tactics of the FCS and details of what it has done to disrupt the principle of freedom of speech. He has not done so. When the Tories get rid of that element within their party, they can come to the House of Commons and talk abour freedom of speech.

There is one other aspect on the freedom of speech that I wish to mention.

Mr. John Carlisle *rose*——

Mr. Fatchett: I shall give way to the hon. Gentleman in a moment.

I feel strongly that freedom of speech must be exercised with responsibility. In the spring of this year, the hon. Member for Luton, North planned a visit to Leeds polytechnic, which is in my constituency and which is part of a multiracial community. The hon. Gentleman tried to go to Leeds with a blaze of publicity and said that he was defending freedom of speech. The hon. Gentleman wanted to speak at Leeds polytechnic. Nobody denied him that right. I have a simple view that, without publicity, nobody would want to listen to the views of the hon. Member for Luton, North. I am quite happy for him to have a telephone box meeting at Leeds polytechnic.

However, I disagree most profoundly—I feel that the hon. Member was responsible for it—with the literature that was put around regarding the meeting. It was scandalous, provocative and racist. It was designed deliberately to stir up trouble at Leeds polytechnic and, I suspect, in central Leeds as well. The hon. Gentleman has a responsibility in that respect. I shall listen to him only when he distances himself from the disruptive tactics and the scandalous propaganda and literature put out about that meeting. When he does that, he can lecture me about freedom of speech.

Mr. John Carlisle: As a vice-president of the Federation of Conservative Students, may I say that the federation completely deplores the disruptive tactics, which the hon. Gentleman described, that are alleged to have been used by members of the FCS. We do not employ the tactics employed by our opponents on the far Left. I dissociate myself and the association from such tactics.

I was somewhat heartened to hear the hon. Gentleman say that he upheld the right of freedom of speech, but he went on to qualify it. Will he confirm that at the time he was quoted correctly by a newspaper and gave advice that a democratically elected Member should not come to his constituency to speak because of the large ethnic population in that part of the country? Will he confirm that he supported the no-go area policy for Members simply because there were members of the ethnic population in that community? Even if we believe the hon. Gentleman's sincerity with respect to freedom of speech which I doubt how can he possibly extol that freedom, yet say to other Members, "You are not welcome to come to my constituency because your views might offend members of the ethnic population."? Is there now a no-go area for Members of Parliament?

Mr. Fatchett: The hon. Gentleman has raised two points. First, it comes as no surprise that he is a vice-president of the FCS. I suspect that its tactics are close to his politics. I would take him much more seriously if action were taken to get rid of those disruptive elements. There has been no action by the chairman of the Conservative party or by the vice-president of the FCS.

Secondly, the hon. Gentleman quoted only part of my comments, which did not surprise me. At that time, I and the director of the polytechnic said that we felt that it was inappropriate for the meeting to be held in the spring of this year, because we felt that the hon. Gentleman was clearly and deliberately using that platform as an opportunity to create provocation, violence and difficulties in a sensitive inner-city area. The director of the polytechnic and I are on record as saying that we would welcome the hon. Gentleman to the polytechnic in conditions and at a time that were more suitable. We suggested that he should come back in the autumn of this year. I should have thought that, if the hon. Gentleman contacted the authorities of the polytechnic to say that he wanted to come on another occasion, an invitation would be issued to him. If the hon. Gentleman wants to come on another occasion, I ask him to distance himself from the disgraceful literature and the tactics that were used to advertise the previous meeting.

Mr. John Carlisle: Will the hon. Gentleman give way? He has just made a serious accusation.

Mr. Fatchett: I shall not give way. I have answered the hon. Gentleman's point clearly. He will have an opportunity to make his own speech later.

Mr. William Cash (Stafford) *rose*——

Mr. Fatchett: I do not intend to pursue this point further, except to say

Mr. Carlisle: On a point of order, Mr. Deputy Speaker. Is it in order for an hon. Member to attack another hon. Member with blatant untruths and then not give him the opportunity to put the record straight?

Mr. Deputy Speaker: That must be a matter for the hon. Member who has the Floor.

Mr. Fatchett: Thank you, Mr. Deputy Speaker.

Mr. Carlisle: Will the hon. Gentleman now give way on that untruth?

Mr. Fatchett: I do not recognise any untruth.

Mr. Carlisle *rose*

Mr. Fatchett: The hon. Gentleman will have the opportunity to make his own speech later. I fear that he is bringing his ECS disruptive tactics to the Chamber. That is unfortunate.

Freedom of speech is not an easy topic. The Conservative party, through its student movement, has a bad reputation. I am afraid that, in drafting legislation, we shall not support the principle of freedom of speech but shall make it that much more restrictive.

The Secretary of State will regret the legislation. It is not in any sense fortunate for the right hon. Member for Mole Valley (Mr. Baker) that his first major intervention as Secretary of State for Education and Science is one that brings forward this Bill. The legislation is flawed in many respects. The Bill and the right hon. Gentleman's speech go no way towards solving the substantial difficulties in our education system. Until resources are found, all the sweet words and all the proposals in the Bill will do little to improve the education provision for our children.

5.54 pm

Mr. John Carlisle (Luton, North): I am grateful to you, Mr. Deputy Speaker, for calling me to speak after the disgraceful contribution of the hon. Member for Leeds, Central (Mr. Fatchett) and the aspersion that was cast on an hon. Member. I am grateful for the opportunity at the start of my speech to put the record straight about the meeting at Leeds polytechnic. It involves a former hon. Member, Mr. Christopher Price, who is well respected by both sides of the House. The meeting at Leeds polytechnic was cancelled — as the hon. Member for Leeds, Central should have had the courtesy to say — because the booked room was unsuitable. A new venue was found later.

I welcome the Bill in principle. It is needed by the education system. We welcome the fact that there will be greater parental involvement and that funds will be made available for the GCSE. We welcome the monitoring of our education system which will be undertaken by those who are not involved with the local education authorities. We especially welcome the disciplinary measures. I welcome the comments of my right hon. Friend the Secretary of State on corporal punishment. They will receive majority support among Conservative Members. We welcome also the other measures and wish the Bill a fair wind.

I should like to confine my remarks to the new amendment at which my right hon. Friend the Secretary of State hinted and which presumably will be tabled in Committee. That important amendment on freedom of speech will allow Members of Parliament, whatever their party, to go to places of learning — which should be the homes of free speech — to give their views without fear or hindrance and, perhaps, more importantly, will allow others to make their views known to hon. Members.

The saddest aspect of what I and many others have suffered is that those who wanted to hear us speak — in many cases they have not been of our political persuasion or been in agreement with what we might say — were prevented from listening to us, and more importantly, from making their views known to us.

I was especially distressed that the president of the National Union of Students, Phil Woolas, declared after the Bradford incident — when I was knocked to the ground and physically attacked by people at a meeting — that the provocative nature of my speech made the attack plausible. I did not say a word at the meeting. That type of irresponsible comment by a man who purports to represent thousands of students should be noted by the House.

The amendment on freedom of speech has been tabled following violent attacks on various visiting speakers. It is necessary because many meetings — in my case, five of the past seven — have been prevented from taking place, for various reasons. The amendment is necessary because certain universities and colleges of further education persist in passing no-platform policies — no platforms for racists, however they are defined and no platforms for anti-semitics, and even ladies like Mrs. Victoria Gillick have been denied a platform at certain universities.

The background to the amendment is one of rooms being cancelled at short notice. Indeed, some colleges and universities have prevented rooms from being booked. My hon. Friends the Members for Leicester, East (Mr. Bruinvels) and for Macclesfield (Mr. Winterton) have faced that problem.

Mr. Cash: Has my hon. Friend had an opportunity to consider whether those universities and polytechnics have provisions in their charters that preclude the type of activities that he has just described? If my hon. Friend has not had an opportunity to look into that aspect, perhaps he will draw the attention of the Minister to it so that it is considered. It would be a serious offence to break with the provisions of a charter in a material respect.

Mr. Carlisle: I concur with that point. Only this week I received a letter from an academic at Oxford university which confirmed that view. The universities and polytechnics are breaking their charters by preventing these meetings from taking place.

The amendment is necessary because of violent picketing which has meant that visiting speakers, including me, have feared for their physical safety and that of not only the students who wish to come to the meetings but of the security officers, the police and everyone involved in the meetings.

The weasel words of the hon. Member for Leeds, Central (Mr. Fatchett) said that there are limited forms of freedom of speech, and accused the Federation of Conservative Students and others of stirring up the problems that had arisen and of using the tactics and literature that he thinks could incite violence. The type of literature which has been surrounding me at the meetings I have had to attend has been quite disgraceful. The literature was inflammatory and almost crossed the laws

[Mr. Carlisle]

of libel. The literature was virtually the same style throughout the meetings I have attended. That is why there is no doubt that it is inspired by the Left and within that I would include many Opposition Members.

No Conservative Member is frightened of vigorous heckling or opposition to our meetings. However, we object to physical intimidation of those who want to go and express their views. This part of the Bill is necessary for various reasons. Unfortunately, one reason is the incredibly weak response by the vice-chancellors and principals of further education colleges to the events which have taken place. I must say to them and to my right hon. Friend the Secretary of State, who will be very involved in this, that the basis of the various edicts and statements from the vice-chancellors is just not good enough.

The hon. Member for Durham, North (Mr. Radice) said in another context that words are not enough and that we need action. I endorse that sentiment. We need action from the vice-chancellors and we certainly need an absolute guarantee that they will do all in their power to ensure that platforms are available for people, from whatever political hue, to be allowed to express their views. That has not been the case over the past few months, possibly even over the past few years. If the Bill stiffens the vice-chancellors in their determination to allow meetings to go ahead, and if the security at the meeting can provide the speakers and those attending the protection that they need, the Bill will certainly have achieved something.

I was concerned when the vice-chancellors, under Professor Shock, put forward their own guidelines to various vice-chancellors and talked about meetings perhaps having to be postponed or cancelled because of controversial speakers. No definition of a controversial speaker was suggested, and as long as those speakers speak within the laws of the land, which are comprehensive, there is no right for anybody in a place of academic learning to deny a platform to those who wish to use it.

The Bill is also necessary because of the weakness of vice-chancellors and others who take virtually no action against those who offend. You will be aware, Mr. Deputy Speaker, of the recent events at Bristol university where Professor John Vincent's lectures were abandoned because he was physically attacked and the meetings ended in mayhem. The students who came before the court were merely fined and slapped on the wrist. They were not expelled from the university. The taxpayer has the right to ask whether such students should be able to continue their studies at the taxpayers' expense when they are intent on disrupting meetings.

At the university of East Anglia, which I attended recently, the meeting was again prevented by the antics of the far left. Video cameras were on hand to show pictures of those who offended, which I believe included two members of the academic staff. I was especially concerned that no action was taken against those offenders. That is why this provision is necessary in the Bill. I say to those vice-chancellors and to the Members of another place that if they had the courage to accompany me to some of the meetings and to the universities and colleges and see what I and others have had to experience, perhaps they would understand the full extent of the problem we are facing.

The Bill is also necessary because of the vicious nature of the opposition shown towards speakers, the violence which I and others have seen first hand from those who can only be called the Fascist Left, and the disruptive and disgraceful literature which has been circulated before meetings inciting people to physical violence to try to prevent them. My right hon. Friend the former Secretary of State for Education and Science was right when he described such people as barbarians. Their intent is obvious. They wish physically to prevent meetings from taking place and physically to prevent hon. Members and others expressing their views and, perhaps more importantly, perhaps prevent others expressing opposition to the speakers. There is no doubt that that opposition is politically inspired and, I believe, supported by many Opposition Members. I believe that it is inspired by the anti-apartheid movement in my case, the anti-semitic movement in other cases and by the Marxists and far Left. I hope that when the hon. Member for Denton and Reddish (Mr. Bennett) replies to the debate he will join me in complete condemnation of those extreme political groups which have certainly disrupted meetings.

The Bill is also necessary because of the physical attacks upon students at university, especially members of the Federation of Conservative Students. I shall not list again, as I did in a recent Adjournment debate, the sort of attacks that some students have suffered at the hands of the far Left. I shall not list the meetings that have been denied to the FCS by massive amounts of money being extorted by students unions in terms of freshers evenings by being told at the last minute that facilities were not available, by the physical attacks on and off campus that members of the FCS have suffered and by the inability of many students unions to provide rooms in which to hold meetings, especially for the FCS. Those students now regrettably need the protection of the House to uphold the right of freedom of speech in the same way as we need the protection of the House.

We must hope that if the Bill is passed—I hope that it will be passed with the full support of those who uphold this right—there will be a new determination by the vice-chancellors to ensure that the disgraceful scenes which have taken place at universities never happen again in this country. I do not want to see police forces and policemen on university campuses, nor does any hon. Member. However, if we have reached the stage where there are students who are intent on violent disruption we must demand the protection of the law and the vice-chancellors must stiffen the protection they give as well as stiffening the discipline they exercise over those who offend. I say to the vice-chancellors, through the medium of the House, that there should be no doubt that when the offenders are caught, which they will be and are being, there should be no alternative but expulsion. I think that the House and the Government would demand that.

The University Grants Committee must seriously consider withdrawing funds from the universities which offend because that may be one way in which we could get the message across. The saddest fact of all is that many universities are concerned that this is taking place on their campuses because it puts off prospective students. My hon. Friend the Member for Glanford and Scunthorpe (Mr. Hickmet) was very concerned about his own university in Hull. Because of the problems, parents are bound to be dissuaded from recommending their children to attend such universities.

I speak with deep and bitter personal experience because of what I have suffered over the past few months, which has been shared, unfortunately, by some of my hon.

Friends. I welcome this initiative by the Government. I know that it has been called a dog's dinner in legislative terms and that there may well be difficulties, but it shows that the Government have a spirit and a determination to stamp out, once and for all, the opposition to the freedom which we uphold in this place more than in any other, the freedom of speech and the right to be heard. For that I welcome the Bill.

6.9 pm

Mr. Martin Flannery (Sheffield, Hillsborough): We have just heard a long speech on one subject, but we are dealing with a big Bill. All those of us here who have participated in education debates—there are quite a few who have not—know that.

I should like to read part of the motion in the name of my right hon. and hon. Friends, which will bring us back to the rest of the Bill. The parliamentary Labour party believes that the Bill

"does nothing to widen educational opportunities nor to raise educational standards for all pupils; fails to provide the additional resources necessary for the improvement of standards of provision and achievement in education; and, like many previous and current Government proposals, is a totally inadequate response to the crisis in our schools brought about by the Government's policies."

Those are the realities with which we are contending. The Bill is a feeble and backward attempt, in line with many other feeble and backward attempts, to prove that the Tory party is not responsible for the crisis and chaos in our schools when everybody knows that it is.

An unnecessary turmoil in education has been thrust upon our country by the Conservative Government. In their attempt to bring back the elitism of the past, to which they constantly hark back and from which they cannot get away, and in order to have the best for themselves and their children, there are no depths that they will not go to. The Minister yawns because he has heard it before, but we have heard and seen before the antics of Right-wing Tories such as those who have just been speaking, and of Tory Governments, when it comes to the education of our children.

As a valuable by-product of the onslaught launched against it, education has been brought to the centre of the stage. I said to the previous incumbent of the Secretary of State's office that he had done things that united the teachers against the Government. Although the Government did not want education to be in the centre of the stage, as a result of what they did, they brought it there. Now they are panicking, because what happened in Ryedale and Derbyshire, West and, previously, in Fulham, and what is now happening regularly, has frightened them. They can see power eluding them and they feel that somehow they must cling on.

We have had the assisted places scheme. We have almost had the voucher scheme, which many members of the Government still believe in. We now hear something about Crown schools, whatever they are—centres of excellence, we are told. The children of fairly well-to-do people will go there. Parental choice has been pushed to the point when it means that certain schools will attract middle-class parents, and have all sorts of virtues, and then there will be the downtown schools, in the state in which the Government have placed them.

Now we have from the other place a Bill that the former Secretary of State boasted was the most important measure introduced in England and Wales since the Education Act 1944. God preserve us when that comes from a Minister who has plunged the whole of our education system into a deep crisis. What does he know about the Education Act 1944, having left us to face all the realities of what is now happening to our children? The Bill might be important to a Tory Government who have wrought havoc on state education for seven years to save money at the expense of our children and the teachers, in particular.

Sadly, the Bill is a missed opportunity to tackle the real problems facing schools and education today. It grapples with none of them. The hon. Member for Hampstead and Highgate (Sir G. Finsberg) made a speech earlier, and it was a godsend to him that some nitwit encouraged people to demonstrate outside his surgery. One would have thought that the whole Labour party was encouraging them. My hon. Friend the Member for Denton and Reddish (Mr. Bennett) had to put the hon. Gentleman right. The hon. Gentleman spent 99 per cent. of his speech on that subject and never dealt with anything in the Bill.

Only one subject came out of the speech of the hon. Member for Luton, North (Mr. Carlisle). We have had two one-subject speeches. Meanwhile, the whole Bill is under consideration. *[Interruption.]* You should not start telling me to go steady. I shall make the speech that I want to make. You stopped us speaking last Friday morning, you free speech people. That is the reality.

Mr. Deputy Speaker (Mr. Harold Walker): Order. I have not stopped anyone speaking.

Mr. Flannery: I know that, but Tory Members do, and they did last Friday, those free speech wallahs.

The Bill offers no positive suggestions for improving the lot of our children, our teachers or our schools. It suggests no clear way of improving the quality and standard of the curriculum or of teaching itself. It fails to outline any strategy for revitalising the weakened profession and the education system that it has planned so carefully.

What does the Bill do? It shifts the emphasis in the management of schools from the local education authorities, which have been democratically elected and which have a partnership with parents, teachers and governors, to the governing bodies in partnership with Government. The Government talk about favouring local government, but they are strengthening central Government and weakening local government through that partnership.

Mr. Key: Does the hon. Gentleman agree that one of the problems that we face, particularly in shire counties with hung councils, is that the local education authorities are not representative of the people who elect the councillors to those authorities? We find that the balance of power is held increasingly frequently by co-opted members.

Mr. Flannery: Of course I do not agree with that. The hon. Gentleman knows that I hold him in considerable respect, but not when he talks rubbish such as that.

Secondly, the Bill increases the influence of a central Government determined to impose their own ideological educational imperatives on the schools, and it guarantees the alienation of precisely those people whose support in delivering the education service is absolutely necessary. In other words, it is a continuation of the attack on the

[Mr. Flannery]

teaching force, without which no Government can educate our children. That force has been demoralised by the Government, and they are continuing that demoralisation in the Bill. The Bill shows not one iota of recognition of what has been done to the teaching force by the Government holding down their wages, saving money and handing out £0·25 billion to their friends in Johnson Matthey Bankers when they could have given it to the teachers. The Government should have done that instead of giving the money to useless people like that.

The Bill downgrades the importance of the professional input of the teachers into the good management of the schools. The passage of the Bill through the other place enabled the most backward supporters of the Government to rubbish the teaching profession. That is precisely what the Bill aims to do. Those Government supporters spread misinformation about the teaching profession. Such misinformation has resulted in fundamental parts of the Bill. The political assumptions of the Bill and the public image of schools and teachers that it promotes will have to be countered. The hard fact is that any amount of manipulation and distortion of our education system cannot go on any longer, and the Tory party knows that.

The Bill was in being before the Government knew the results of the by-elections. A start had been made on it, and now they are landed with it. It is an impossible Bill. Everybody knows that it is useless and should be thrown out. I am sure that many Tory Members who are educationists realise what they have been landed with. It is similar to when the ridiculous Bill on corporal punishment was produced as a result of what happened in the European Court of Human Rights. It said that some children in a class could be caned and others could not. So the teacher would have to say to a child, "You are misbehaving. Can I cane you or can't I?" What utter nonsense. I served on the Committee of that Bill and the chaos was unbelievable. It was similar to the chaos that the Government have produced in our education system.

The Government are worried that the electorate has now seen through it all. The game is up. [*Laughter.*] Conservative Members may force their laughter, but the Conservative party is in a frightful dilemma and does not know which way to turn. They must face up to the opinion polls, which show a 40 per cent. following for the Labour party and only 30 per cent. for the Conservative party. The Government are getting ready to provide more money, not because they think it is moral and right to do so, but because they must in order to survive.

The Bill is a throwback to the gang of Black Paperites who began their attack on education 10 years ago. They were ennobled by the Government for their efforts to roll back the great democratic advances that had been made, particularly in comprehensive state education. That cannot be done. Those advances cannot be rolled back by rubbishing the state education service or starving it of funds.

The Conservative party does not understand the state system of education. It deplores in its very bones the fact that the system is educating our children to higher levels than ever before. That is why Conservative Members try to rubbish the examination results achieved through state education which are massively higher than they have ever been in our history. [*Interruption.*]

Mr. Deputy Speaker: Order. The hon. Gentleman has a right to be heard.

Mr. Flannery: Thank you for protecting me, Mr. Deputy Speaker, but this hon. Gentleman will certainly insist that he is heard.

The hon. Member for Luton, North made a speech which, for sheer hypocrisy, was almost beyond belief. He——

Mr. Deputy Speaker: Order. The hon. Gentleman knows that we cannot tolerate the use of that word directed to an hon. Member.

Mr. Flannery: I did not call the hon. Gentleman a hypocrite, and I am allowed to say that.

Mr. Deputy Speaker: Order. The hon. Gentleman is not entitled to allege that another hon. Member is indulging in hypocrisy. He should find an alternate way of expressing his view.

Mr. Flannery: I find it hard to find another word that fits the hon. Gentleman. He supports——

Mr. Deputy Speaker: Order. Before the hon. Gentleman finds some other way of expressing his view, he should withdraw what he has already said.

Mr. Flannery: I shall withdraw it if I must, but I have used that word before and not had to withdraw it.

The hon. Gentleman visits South Africa frequently at the expense of South Africa house. He upholds the way of life of the South African Right wing against black people. I cannot understand how he dare lecture us about democracy.

6.23 pm

Mr. J. F. Pawsey (Rugby and Kenilworth): I was not surprised to hear the hon. Member for Sheffield, Hillsborough (Mr. Flannery) say that we had heard his speech before. He was right, because he makes the same speech every time. He described the Bill as impossible, and he was as wrong on that as he is on most matters.

I welcome my right hon. Friend the Secretary of State to his new responsibilities and congratulate him on his splendid speech and on the Bill. It will do a great deal to remedy the acknowledged defects in the education system and to improve both the quality and standards of education in our schools.

The hon. Member for Durham, North (Mr. Radice) described my right hon. Friend as being half-baked——

Mr. Radice: No, I did not.

Mr. Pawsey: Then he described the Bill as being half-baked. It is a real baker's dozen, and I can assure the hon. Gentleman that there is plenty of icing on this cake.

I was pleased to hear what my right hon. Friend said about the GCSE. He gave a clear commitment that it would go forward this year and mentioned an additional £20 million of new money, which would amount to about £4,000 per secondary school. The Government are to be congratulated on the depth of their commitment to this important new examination.

The hon. Member for Durham, North made an unfavourable comparison between the Bill and the Education Act 1944, and he was less than his normal generous self. He will come to accept, as most other hon. Members already do, that this is a major educational reform and that it will do a great deal to answer what the

right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) described as "the great debate". The agonising is over and the time for action is now with us, and the hon. Gentleman will see that action during the coming months and years.

The Bill is both imaginative and practical. It encompasses a range of measures from curricula to discipline and from school governing bodies to better training. They are all important and underline the Government's determination to improve education.

In the past we have been accused of being long on rhetoric and short on action, and it has been said that parents' and teachers' expectations have not been fulfilled, despite the best pupil-teacher ratio ever and the highest level of per capita spending. The Bill gives my right hon. Friend a marvellous opportunity to build on the foundation that was well established by our right hon. Friend the Member for Leeds, North-East (Sir K. Joseph), who is to be congratulated on all that he has done for education. In the years that lie ahead he will come to be regarded as an outstanding Secretary of State. He has laid a solid foundation of which this Bill will be the first major stone. It will prove to be a watershed in education policy.

As many hon. Members wish to speak, I shall concentrate on two main issues: governing bodies and teachers. However, I shall first touch briefly on two other items: political indoctrination and corporal punishment. I was once sceptical about political indoctrination, but now I believe that it does occur. What is more, it is becoming increasingly prevalent. It is damaging to both teacher and pupil because it reduces a teacher's standing when that teacher is seen to be partial in the classroom towards the pupil. It is regrettable if, as the result of biased teaching, they develop a false sense of values or understanding. That is not education; it is indoctrination.

Mr. Greenway: Will my hon. Friend join me in picking up the argument advanced by the hon. Member for Durham, North (Mr. Radice) that neither the Secretary of State nor he could state our political position in schools? Does my hon. Friend agree that that is complete nonsense? Obviously I could enter a school and state my political position on anything. Providing I state alternative political positions, I would be putting forward a balanced view and would be enabling pupils to choose. That is what education is about, and it is time that the hon. Gentleman learnt that.

Mr. Pawsey: I am grateful for that useful intervention, and I look forward to my hon. Friend developing that theme during his speech.

I was pleased to hear my right hon. Friend's clear commitment to retaining corporal punishment, and I was delighted to hear him say that we would have a free vote on this issue. That compares favourably with the attitude of Opposition Members who, despite questioning, have still failed to say where they stand on the question of a free vote. Will the Opposition allow their hon. Members a free vote or will they be whipped into the Lobbies? *[Laughter.]* The hon. Member for Durham, North finds that amusing, but he will have cause to laugh on the other side of his face because this is an important issue and the public will see it as such. This is an issue on which a genuine free vote should be allowed. I am disappointed that Opposition Members do not share our concern about this.

Mr. Andrew F. Bennett: I am absolutely amazed. Twelve months ago the hon. Gentleman went through the Lobby whipped on a Bill on corporal punishment, yet suddenly he thinks it is great to have a free vote. The hon. Gentleman should make it clear that the free vote is an attempt to get the Government off a difficult political hook. He should stop trying to make a virtue of it and accept that it is political expediency. On this side of the House we stick to our principles: we are against corporal punishment in schools.

Mr. Pawsey: If the hon. Gentleman wishes to stick to his principles, there should be a free vote. If he believes all his colleagues will vote in the way that he thinks they will, he should put that to the test. I challenge him to give the issue a free vote, but I am sure he will not take it up.

I regret the decision taken in the other place. Corporal punishment has a respectable place in Britain's schools. It is not frequently used, and it is more of a deterrent than anything else. The decision reached in another place was not helpful and there were no suggestions as to what should take the place of corporal punishment. Other countries have been quoted, but it is forgotten that in France, for example, when a child is suspended from school, social security benefits are also stopped for that child. The Lords should have devoted a little more thought to this issue.

The Bill re-emphasises the parental role in schools and recognises that education is a partnership between teacher, parent and child. It reinforces the belief that, in the overwhelming majority of cases, parents know best what is right for their children. For far too long parents have been bystanders, helplessly watching while their children's education has become less relevant to the practical world. The proposals in the Bill will ensure that parents are given a voice equal to that of the LEA nominees. Henceforth, each school will have an annual meeting when the governors must answer to the parents for the way in which the school is run. Nothing so concentrates the mind as being answerable and subject to cross-examination by one's peers in public. That in itself will help to ensure that schools are more closely aligned to the practicalities of the job market.

When parents are in a position to influence schools they are less likely to tolerate second-class subjects in second-class schools. The Bill will ensure that great emphasis is placed on what is recognised as the core curriculum—those subjects necessary for people to obtain employment and to enjoy a reasonable standard of living. It will be a case of peace studies out and technical studies in.

I do not suggest that this single measure will automatically unlock the door to better standards and improved quality. I recognise that, in some areas, it may be difficult to get parents to participate. I am convinced, however, that those areas will be in the minority and that, in general, parents will be anxious to participate in the running of their youngsters' schools.

Parents recognise the importance of education and that is why this debate is taking place. Parents know that, like the love of a good woman, education is indeed beyond price.

Mr. Weetch: Ah.

Mr. Pawsey: I thought that that might interest the hon. Gentleman. He is always keen on good women!

[Mr. Pawsey]

The debate is a direct response to parental disquiet about schools and the education system. Most parents care about education and the Bill attacks some of the proven inadequacies.

Clauses 3 to 14 relate to school governing bodies. There will be four categories of governors — parents, LEA representatives, teachers and those co-opted by the other governors—and they will serve for four years. The hon. Member for Durham, North—I am sorry that he has left the Chamber—was a little disparaging about this. I believe that governors are important in the life of schools, and the Bill will do much to underline their importance. It will ensure that they have a much greater part to play in the administration of schools.

The LEAs will continue to determine policies for the overall management of schools but, henceforth, the governing body will be able to determine policy within the school. Clause 25 makes provision for the LEA to pass funds to the governing body to cover the cost of books and other items which it believes desirable. In short, it gives more autonomy to individual governing bodies and head teachers.

Schools will be able to respond quicker to the perceived needs of the pupils. They will be able to decide for themselves whether funds should be spent on new video equipment or on books. This is a measure of devolution and must be welcomed. The LEAs must also provide each school with a statement of its running costs. Effectively, the LEA will have strategic powers, but the governors will decide the policy to be adopted in their schools. Henceforth, schools will be a triumvirate, with the LEAs, parents and heads coming together on the basis of near equality.

I wish to enter one caveat—perhaps my hon. Friend the Minister, when he replies, will comment on it. It is essential that parents are able to obtain relevant information which will enable them to make a sound judgment on the running of the schools. The Bill also seeks to help heads and provides them with a better legal basis than at present. This should be widely welcomed because the head is the key figure in any school. I have long held the view that where there is a good head there are good staff, and a good staff equals a good school and sound education.

Let me return to the make-up of the governing body. I said that governors have the power to co-opt. When that power is used wisely, any shortage of expertise or knowledge within the elected governing body can be made good by specific co-options. If the governing body lacks the expertise of an accountant able to examine the LEA's figures on the school's running costs, that accountant could be co-opted. The additional co-opted members could represent industry to the advantage of business—a point made by my right hon. Friend in his opening speech.

All these measures confirm the importance attached to the new reformed governing bodies. The new powers will encourage more people to come forward, providing a better range of expertise and knowledge, which, in turn, will improve the quality and relevance of education.

The Bill will also ensure that teachers enjoy a professional status by ensuring professional standards, and that means appraisal. For that reason, reserve powers on this issue will be introduced. A fair system of appraisal will be introduced which will bring with it better promotion prospects for the good classroom teacher. There will be an improvement in the opportunities for in-service training. These measures are long overdue.

I refer to an excellent speech made by my hon. Friend the Minister of State at Leicester on 17 March in which he said:

> "In the end the benefits our children get from being at school are primarily the achievement of their school teachers. All the other educational facilities are simply a means of helping teachers in their work. The first and most essential need of any school is good staff and very little can be achieved unless we have enough teachers of the right quality."

That is a clarion call for professional standards in a professional teaching force.

If I may digress for a moment, hand in hand with professional standards goes a professional salary. That is why I have argued in the House and elsewhere that the £1·25 billion available for teachers' pay over a time scale of four years should be concentrated into a narrower period and, what is more, it should be front-loaded. I am not saying that this funding, which is over and above any normal increases in teacher remuneration, should be unconditional. In addition to appraisal, teachers would be required to accept those duties which have long been taken for granted but which came into question during the dispute. Appraisal will improve career prospects for the good classroom teacher, and that is important at a time of falling rolls when promotion is no longer as swift as it was. I welcome the provision which will enable the Secretary of State to respond to local authority bids for in-service training, provided that they clearly underline the benefits of such training.

I welcome the Bill. I believe that it will prove to be a turning point. It is a positive move to reform schools through their governing bodies. I believe that it will be applauded by parents and teachers as a major step towards improving the quality and standards of state education.

6.40 pm

Mr. Ken Weetch (Ipswich): I consider all Education Bills from the point of view of a practitioner. Before I came here, I did 20 years in the trade—10 as a schoolmaster and 10 training teachers. Examining the Bill purely from the point of view of a practitioner, I find some useful things in it.

The trailers for the Bill implied that it would be one of the most important pieces of legislation since the Education Act 1944. It is hardly that, but it says some significant things. I am sorry that it has become a cookpot for people's prejudices. They have thrown their prejudices in as they have passed by. I notice that *The Times* described the Bill as a Christmas tree on which everybody hung something as he went by. That is true. The Bill set out to redefine the responsibilities of local education authorities, governors and the teaching profession.

Mr. Chris Patten: Like the hon. Gentleman, I read with interest the *Times* leader to which he referred. Is he also interested in the fact that a fortnight before, in another leading article, *The Times* had advised us to hang yet more things on the Christmas tree? Perhaps the consistency of *The Times* leader writers is not now what it always was.

Mr. Weetch: I am surprised about that. Although I thought that *The Times* was a little Right wing, I thought that it was consistent from week to week. I shall look up the Minister's reference, as I am a little surprised.

My point still stands, however. The Bill started out as one thing, and it is rapidly becoming a series of others. It is right to involve parents much more in the nation's schools. It has always surprised me how little influence parents have brought to bear since the war. Local education authorities have always been well organised, as have teachers' organisations and the Government bureaucracy, but parents never have. They have been organised late in the day. I welcome the fact that the Government have done something to strengthen parents' influence. After all, it is their children who are being taught. That is often forgotten. Parents care a great deal about what happens and know what their children are, or are not, getting. Parents are much wiser on these matters than many people suppose.

It is also forgotten sometimes that, through rates and taxes, parents pay for it all. If they pay the piper, they should be able to call some of the tune. A sound relationship between parents and schools can have a profound and constructive influence on the performance of the school and the teaching profession, for the good of education as a whole.

I regret the fact that for much of the post-war period parents have not been as involved in education as they should have been, as they have frequently been unwelcome when they have attempted to bring their interest to bear. I know of some schools where parent-teacher associations are still not very welcome. That is to be regretted. Parents have not been well organised as a pressure group, but I hope that that will change. The Bill's central aim of involving parents is constructive, although the relevant provisions should be amended in Committee.

It is right to clarify the functions and responsibilities of local education authorities, governing bodies, headmasters and staff. There has been confusion about responsibilities from time to time. No one interest should predominate. It is also desirable to define the powers of governing bodies and how they can be exercised in regard to matters such as the curriculum, discipline and standards of schools.

The Secretary of State said that good discipline and the ability to keep order and a peaceful atmosphere in schools were the key to good education. He is right. If there is not reasonable discipline and order, one will never teach anything. The critical question is whether the Bill will achieve that aim. In several respects, however, the answer is no.

The Bill proposes the concept of balanced representation on school governing bodies, no interest allegedly being predominant. It is surprising, therefore, that the representation of teachers is underweighted as schools get bigger. That is a critical mistake. I shall not quote figures, as that would be more appropriate to a Committee speech than one on Second Reading, but as a school increases in size, teacher representation gets proportionately worse while that of other categories such as parents increases. There is no balance in that. Moreover, the arrangement undervalues the section of representation that has day-to-day responsibility for good education and for promoting good teaching. That is an unfortunate way in which to start off the concept of balance in the Bill. If I am on the Committee I shall try hard to have that clause amended, because it is clearly wrong-headed.

The second example relates to conduct and discipline and is about who bears responsibility. If a school has no discipline within its walls, little of any account will be taught there. I say that as a former practising schoolmaster who still thinks like a schoolmaster. If there is no order in a school, there is no education either. I am alarmed about clause 21 and hope that the Secretary of State will be a good deal more resolute about the appeals procedures than he seemed to be in his speech. I taught in difficult schools in inner-city areas, where weak discipline schools did not survive. It was as simple as that.

The sting in the tail of clause 21 is quite vicious. It says that in the last resort the local education authority can order a headmaster and staff to take back individuals or groups whose behaviour could have been violent, anti-social in the extreme or akin to disruption. It will be able to force the headmaster and staff, against their better judgment, to take back such people. That is not right, and if such a course of action is forced on the headmaster and staff we can say goodbye to discipline in our schools. Who is taken back should be a matter for the headmaster and staff, and no decision should be forced on the headmaster. If that happens, the headmaster and staff will be humiliated and lose their authority.

I listened carefully to the Secretary of State's remarks about the right of appeal. I hope that we shall not be fobbed off with a paper exercise and that the right of appeal will be genuinely independent. There should not be any right of appeal at all and the headmaster's word, if supported by the governors, should be the end of the matter. This is because the headmaster has the day-to-day responsibility at the sharp face for keeping order and for teaching. He should not be buried under a mountain of worthless paper that detracts from his position. If there is to be authority and good standards in our schools, the headmaster and his staff must be supported at all times. There should be no political interference from a local authority which wishes to smooth over a difficult situation — not to get justice, but simply to get a convenient settlement and to sweep the difficulties under the carpet.

I should like to speak in more detail about teacher appraisal. I spent 10 years in that field looking at people teaching in schools of one kind or another. The practice of teacher appraisal is fraught with difficulties. It is difficult to appraise the performance of a teacher, and the first key question that one must ask is: what is the teacher being appraised for? Is it to find out basic things about his professional standards and whether he is fit to continue in classroom teaching? If that is so, Governments have been falling down on their responsibilities for the last 50 years. A professional teacher leaves college or university with a qualification and is then on professional probation. In many cases that probation is pathetic. Nobody cares whether the teacher sinks or swims, and I have seen many young teachers driven out of the profession. Before the Government embark on a new series of measures, they should consider whether they are trying to work the old measures with any degree of consistency.

I read a recent speech by the former Secretary of State. Speaking to the Industrial Society, he said that the idea of linking appraisal to salary had been given up. Perhaps when the Minister winds up the debate he could tell us whether that is the case, or appraisal will be used as a factor in determining salary. In his speech the former Secretary of State said that he did not want appraisal aligned to any scheme of pay or to any scheme of instant reward. I am not encouraged by the clause in the Bill, but it is encouraging to note that the former Secretary of State said that appraisal was to be introduced voluntarily. That is the only way in which it will work.

Mr. John Powley (Norwich, South): I take the point that the hon. Gentleman makes about teacher appraisal. Does he agree that every time a teacher is promoted or is moved up the scale, or moves from one school to another, he or she is appraised in some way before entering another grade with better remuneration?

Mr. Weetch: I accept that point. If anybody in the teaching profession aspires to promotion and wants to get into the higher reaches of the profession and become a headmaster, along the way there must be some element of appraisal. In our present system of education people are promoted for some weird and wonderful reasons. I would rather have a regularised system of appraisal, provided it is done in a proper way, than the hand-to-mouth system that exists in some of our schools now. I accede to much of the spirit of the intervention.

I should like to make two further points, the first of which is about two clauses in the Bill. One point is about sex education, and the other is about political education. If there is to be political or sex education, it should be carried out in a professional, balanced and constructive way. Those should be the ethics of the teaching profession. In my experience, indoctrination is often counter-productive. When one tries to influence young people to go in one direction, more often than not they will go in the opposite direction. Nevertheless, the point about balanced and constructive education stands. We should have political education in schools, because such education is part of citizenship training.

Has the Minister any substantial body of evidence to show that the course of political education is being widely, in detail and substantially perverted? The answer must be, "No, not on a widespread scale." The vast majority of teachers in ordinary schools are teaching in a professional way. There are exceptions. One can go into some inner-city areas where a Wendy house is sexist, and Janet and John books are too heavy an emphasis on being heterosexual. One should not adapt legislation to iron out small lunatic sections when the vast bulk of teaching is fair.

Mrs. Edwina Currie (Derbyshire, South): Does the hon. Gentleman accept that it was Members of the Labour party who, in the other place, proposed a whole series of amendments that would have much the same effect as the clause that he is criticising, and produced plenty of evidence to support them?

Mr. Weetch: I cannot answer that question. I never follow the events of the other place, which fill my head with fog. I accept the hon. Lady's point. However, the Government should be careful before they use the heavy hand of legislation to interfere in a professional matter which, in the majority of cases, is being properly conducted. They should examine their conscience on that point.

With that, I give a cautious welcome to large sections of the Bill, although in Committee many of its discrepancies will have to be ironed out.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. I remind the House that the 10 minute limit on speeches came into effect at 7 o'clock.

7.1 pm

Mr. Robert Rhodes James (Cambridge): I am grateful to the hon. Member for Ipswich (Mr. Weetch) for talking about the Bill, using his profound knowledge. I express gratitude to the hon. Member for Cambridgeshire, North-East (Mr. Freud) and other hon. Members for their reference to the admirable maiden speech made by my hon. Friend the Member for Derbyshire, West (Mr McLoughlin). The hon. Member for Cambridge, North-East, like me, came to the House through a by-election, so we know what the experience is like.

The Bill places the House in a rather surprising and surprised position. What began as a modest and almost uncontroversial measure to implement the proposals of the White Paper "Better Schools", has, in its progress through the other place, assumed a quite different character. If all the rumours that we hear are true, the Bill seems destined to suffer further expansion before reaching the statute book. I express my warm admiration, affection and regard for the former Secretary of State, my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph). Although our paths diverge on many matters of policy, my admiration and our friendship have not ended.

From what force came the inspiration for the amendments moved in the other place? They have extended, and have sought to extend further, the scope of the Bill. New clause 16, which forbids the promotion of partisan political views in the teaching of any subject, is the classic example of what my former headmaster used to describe as ingenious but idiotic. My hon. Friends might applaud the abolition of teaching of Marx and Marxist economics in schools. I would also cheer if we sought the removal of Hayek and Friedman. That would not distress me too greatly. However, would it then be illegal for me to give courses on Lord Randolph Churchill, Mr. Gladstone, Ramsay MacDonald——

Mr. Andrew F. Bennett: Or the monarchy?

Mr. Rhodes James: Or, indeed, royalism, an evil and worrying thing. Would we have to follow the Russian example, in which new histories of the second world war completely omit any reference to Stalin? I suggest that, in the long catalogue of legislative nonsense, this clause is in the Edward Lear class. I hope that my hon. Friend and the Committee will look hard at this clause as amended in another place.

Mr. Leigh: Will my hon. Friend give way?

Mr. Rhodes James: No, I will not.

On the failed Lords amendments on the freedom of speech, I have more sympathy with the Government and my hon. Friend the Minister. The orginal wording produced in the other place was too wide and hopelessly impractical. Lord Beloff, among others, was quite right to express criticism of it. It was wise of the Government to withdraw it. Nonetheless, there is a problem, one magnified recently by the fate of a constituent of mine, Mrs. Strachan, who, when working at the North-East London Polytechnic, was beaten up in her own classroom. The appalling organisation of the polytechnic would not even, beyond a mild reproof, deal with the students who did it. Any institution that cannot protect even its own staff, let alone visiting politicians, deserves censure and opposition. Although I do not agree with my hon. Friend the Member for Luton, North, (Mr. Carlisle) on many things, I do on this subject.

In 1971 we had in Cambridge what is known as the Garden house affair, in which deplorable things were done

—ironically, under the leadership of Professor John Vincent. Sentences were passed and it was made abundantly clear that students and academics are as subject to the law of the land as the rest of us. Since then, we have had no trouble. I ask my hon. Friend, although I sympathise strongly with the motivation of the amendments, to consider whether this is necessary. The fact that we may have craven and inept vice-chancellors and principals does not affect the fact that the law is there. Again, this is a matter for the Committee to debate, because often what we need is enforcement of the present laws rather than the creation of new ones.

My hon. Friend the Member for Bath (Mr. Patten) knows about the proposals, under the European Commission regulations, for the employment of women in universities. I do not care particularly whether my right hon. Friend the Secretary of State for Education and Science or my noble Friend the Secretary of State for Employment destroys the proposal. I earnestly suggest that it should be destroyed. It is already difficult enough for women to get employment in higher education. If there were an amendment to section 51 of the 1974 Act, that could become even more difficult.

The Bill deserves "modified rapture", and my hon. Friend will know the origin of that phrase. However, I hope that the my right hon. Friend The Secretary of State and the Committee will address themselves seriously to the points that I and other hon. Members have made.

7.8 pm

Mr. D. E. Thomas (Meirionnydd Nant Conwy): The Bill addresses itself to the structure of the education system at local and school level, to its content at local level in terms of the development of the curricula and to the financial management of resources at school level.

I welcome the participation in the structure of education by parents, the LEAs and the teachers. It is a model that I have always believed should be followed in all public services, in that one should look for co-operation between the deliverers of the service, its clients and the authority that has statutory responsibilities for the services.

The point that most concerns me about the proposed structure for the governors of schools is the proposals for the grouping of schools under clause 9. I mention this particularly as the Welsh Office Minister responsible for education is listening. He is well aware of the issue of schools in areas where the LEA has a bilingual policy, but has not established bilingual schools. I refer in particular to the case of Gwent. Schools that are grouped together should represent the linguistic diversity of the communities and schools or units which are part of the grouping. That also applies to the curriculum.

The sections of the Bill which will deal with the school curriculum need to be read in the context of the latest document on local authority policies for the school curriculum. That is contained in the response to the 1983 curriculum review which was published earlier this month.

The review makes it clear that the Government regard it as important that

> "The Secretaries of State, the LEA and the school each need a curricular policy in order to discharge their respective functions."

In terms of the governors' role in developing curricula, that is clearly the most specific statement that we have had on the need for a community-based approach to curriculum. I welcome that principle.

Clause 17 (2)(*a*) stresses that representations made by persons in the community that is served by the school should be taken into account when developing the curriculum. That is a key factor for language provision in Wales and for the provision for cultural and multi-cultural diversity in inner cities and communities throughout Britain.

It is important that that aspect of community representation must be read as including provision for ethnic minority communities to allow them to make representations and for the issue of community languages in both primary and secondary schools to be included in the curricular discussion. I am not suggesting that the governors of schools should be wholly responsible for deciding that languages other than English should be provided for within the curriculum. However, as representatives of the community, the governors should have that role in curriculum development. It is essential that these aspects of curriculum development in the locality should be seen alongside paragraphs 52 and 53 of the local authority response to the curricular review and the response to Swann.

I was encouraged to see that more than one third of the authorities responding to "Better Schools", gave detailed attention to the issue of a multicultural approach to the curriculum. I would expect that within the context of the new structure proposed for curriculum assessment at governor level much progress can be made in the communities.

I remember hearing Sheila Browne, a former chief inspector of schools, stress to the Select Committee that it was important that each school should assess its contributions to its community each year. The governors should be able to to do that under the Bill.

Clause 24, which deals with the provision of sex education, is controversial. It might appear to be a form of bias in favour of one sexual preference. It states that

> "those pupils to have due regard to moral considerations and the value of family life."

That might be a form of propaganda for heterosexuality. I say that in the mildest possible way because I do not want to excite Conservative Members on this issue. However, we must accept and understand the issues of homosexuality, lesbianism and other varied sexual preferences in a tolerant society. The clause would or could undermine equality of approach to that matter. That may be what some hon. Members would want.

Finally, I would like to consider the financial controls on schools as set out in clause 25. Here again I welcome the structure that we are offered. For the first time it gives the responsibility for financial management of schools to the local education authority. We accept that the school budgeting may be managed by the governors. All that structure on financial management at the chalk face is rendered redundant if we read the other two relevant documents about the financing of schools published in recent weeks—the HMI reports on England and Wales. They show that there is a disparity of provision between schools and LEAs, which means that the provision in various areas is deteriorating. The 11 to 16-year age group in particular is less well provided for than later age groups. Both reports give careful consideration to the appalling

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position of many school buildings and of the school environment which is affecting teaching in schools. The English report states at paragraph 16 that the school sector is the one causing most concern:

"It is getting by and providing satisfactorily for most pupils in many places by robbing Peter to pay Paul; doing less; or with the help of sizeable contributions from parents."

Parental contributions are crucial to many schools. However, they can lead to broad discrepancies between areas and within individual LEAs. Schools in higher-income areas benefit from funding from parents while those in more deprived areas do not.

The warning I issue is that although we may welcome certain of the structural changes and regard them as not essentially partisan, the Bill does not tackle the major issue about the education system: the overall provision of resources. It is in that area that anything which is done at the chalk face will be completely undermined.

7.16 pm

Mr. Robert Key (Salisbury): I start by declaring an interest in the Bill, first as a parent with children in the independent and maintained sector in the ratio of 2:1, and, secondly, as an ex-teacher and former member of the Assistant Masters and Mistresses Association and consultant to that body.

It is broadly fair to say that, until the Government took office in 1979, the national education debate was dominated by the comprehensive versus grammar selective argument, and I regret that that is still true in Salisbury. My right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) has had little credit for moving the debate forward from that issue. The central issue now has become the quality of education and how that can be improved for the majority of pupils in the schools that they attend.

The potency of this issue, recognised now in virtually all parts of the House, was not exclusively the discovery of my right hon. Friend the former Secretary of State. The right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) must be given some credit. However, his Ruskin college speech, which was intended as an agenda for action, became dissipated and blurred in the Shirley Williams debates that followed. They were intended to identify areas of concern, secure agreement and concensus and produce a programme for policy initiatives. Instead, they became little more than a public relations exercise with no identifiable outcome. The media coverage generated by the Williams roadshow did not solve anything. It publicised yet more criticism and discontent. It sharpened the sense that something needed to be done, but whatever it was, it was not happening. The debate became a warm-up for my right hon. Friend the Member for Leeds, North-East.

My right hon. Friend the Member for Leeds, North-East activated powers long latent in the Education Act 1944. Whereas my right hon. Friend's predecessors had been content to tiptoe in the secret garden of the curriculum, he seized upon his powers to redesign the landscape—his power to co-ordinate.

The Green Paper that preceded the Bill some time ago stated that the curriculum had been overloaded so that the basic skills of literacy and numeracy — the building blocks of education—had been neglected. Schools had been over-ambitious, embarking on new subjects and new methods of teaching without ensuring that teachers knew what they were teaching or whether that was appropriate to the pupils' capacities or the needs of their future employees.

The Green Paper suggested a review, and the author hoped that pupils would end up with

"a basic understanding of the functions of our democratic political system, of the mixed economy and the industrial activities, especially manufacturing, which create our nation wealth."

My right hon. Friend the Member for Leeds, North-East did not say that. It is contained in the 1977 Green Paper "Education In Schools", which was produced by the Labour party. However, it has taken 10 years for my right hon. Friends the Members for Leeds, North-East and for Mole Valley (Mr. Baker) to deliver the goods and to do what everyone said needed to be done and produce a timetable for that.

The teaching profession, at a time of falling rolls, low pay and restrictive career opportunities, has been coping with massive reform. The reform of the examination system, with the propsect of appraisal, will, I hope, be resolved by ACAS rather than through powers in the Bill.

The Bill reflects, and converts into legislation, the concern that has been widely felt for some time that parents should not have bureaucratic barriers placed between them and the schools that their children attend. The emphasis that it places on consumerism is essentially democratic and it is hard to see how anyone can argue convincingly against conferring new rights upon parents, or argue that it is against the interests of education for parents to be more closely involved in the running of the schools that their children attend. I am pleased that local community interest will be represented in a balanced way on governing bodies. As ever, there is a balance to be struck.

It has been said this afternoon that the Bill is a Christmas tree that was grown in the House and sent to the other place for decoration. It has acquired some pretty odd and heavy baubles in that place and it will need some gentle handling if it is not to keel over altogether. Let us be careful about clauses 16 and 39, on political indoctrination. I find them acceptable, but I believe that we must guard against over-reaction, which would deny the very balance that we are seeking to achieve.

I applaud the declamatory exhortation in clause 24, on sex education—few would clamour against it—but if we are going down that road I would wish to see added a responsibility towards education on substance abuse—for example, drugs, alcohol, tobacco and solvents. Adding such clauses puts considerable extra burdens on teachers, LEAs and the Department, and all of them have resource implications.

My views on corporal punishment are well known. I find it extraordinary that at a time when society is attempting to come to terms with violence we respond by insisting that the only answer is violence inflicted by adults on children. That is extraordinary and bizarre.

The hon. Member for Durham, North (Mr. Radice) said that my comments on clauses 26 and 27 — the annual report to parents—were mistaken. I accept that we cannot rely solely on an annual meeting. I would go further and say that what worries me about the annual report or meeting between governors and parents is that it might turn into a kangaroo court for individual

complaints against teachers in a public forum at which teachers cannot answer back. That would worry me very much.

It is not true to say, as some still argue, that all our education problems are about quality and not money. However, anyone who has so much as dipped into the Audit Commission's report of last month on the management of secondary education must understand that huge sums are being wasted in the system at a time when we are so obviously short of money in so many areas of school life.

That is a challenge that my right hon. Friend the Secretary of State must face squarely, just as he must face the challenge of presiding over an increasingly hard-working Department which is so obviously and chronically understaffed and under-resourced. It is incapable of coping with the burdens that are now being put upon it. Education Ministers' letters win the snails' race in the life of a Member of Parliament, and Select Committees wait a year for a Government response. One example is the report on the science budget. The baubles throw into question the basic competence of the Department to cope with the job that it is being asked to undertake.

The new-found power of the Secretary of State has been taken, mistakenly, for centralism. I have heard my right hon. Friend the Member for Mole Valley, the new Secretary of State, twice say that he wishes power to move from the hub along the spokes to the rim of the wheel. That is surely what the Bill is all about. It breaks new ground and creates new relationships between consumers and the providers of education. It addresses itself to the international comparisons, which we disregard at our peril.

I wish my right hon. Friend well at the start of what I hope will be a long and successful tenure of office. Parliament can set the tone and background for our education system, and the Bill will be a milestone. If children are to recapture the great educational birthright that is traditionally theirs, my right hon. Friend must achieve two prerequisites. He has re-entered the Chamber just in time to hear the two prerequisites which he must recognise.

First, in answer to my parliamentary question on 19 May, my hon. Friend the Member for Dartford (Mr. Dunn), the Under-Secretary of State for Education and Science, produced alarming figures that showed that in the past seven years for which statistics are available the number of head teachers retiring early has trebled, that the number of deputy heads retiring early has doubled, that the number of senior teachers retiring early has quintupled and that the number of scale 4 teachers leaving has doubled. The profession at its senior end is voting with its feet, and that is in nobody's interest.

When ACAS has done its work, when we have done ours on the Bill, and when good faith has been restored, my right hon. Friend knows that he must always go to Cabinet to fight his corner and to wrestle for his Department the money that will be a necessary component in raising the status of the teaching profession. Most important of all, my right hon. Friend must set out to create a peaceful and stable education world if he is to create the framework for real progress.

7.26 pm

Mr. Jack Thompson (Wansbeck): I apologise to the House for having entered the Chamber only recently. I have been committed to other business in the House of similar importance. I intend to refer to only three issues which concern me especially. As I have explained, I have missed the earlier part of the debate.

Those who are involved in education in my constituency and county are looking for great things from the Secretary of State. Things have been so bad in the past four or five years that miracles are expected from the new incumbent of the office of Secretary of State for Education and Science. There are some doubts, however, about whether his magic wand will be made available to him or whether it will be removed from him.

The letter that we received from the Secretary of State's predecessor, the right hon. Member for Leeds, North-East (Sir K. Joseph) in response to the school inspectorate's annual report was astonishing. In my short experience in the House, it is the first time that a Secretary of State has responded in such a way to a report from the inspectorate. That surely indicates the dire and difficult situation that education faces.

When I mentioned to my constituents that the Bill's Second Reading was to be debated today, their reaction was, "Are there not more important issues to consider in the light of the present state of education?" My response was, "Fair enough, that may be, but currently the Bill is before the House for consideration."

I am fully in support of parent governors. I say that with some authority because I first became a school governor as a parent governor about 20 years ago. It is not a new concept for me. When my child left the school of which I was a governor, I became a local education authority governor. I am now a co-opted governor of the same school and I have the honour of being the chairman of the governors. Continuity is important and one of the dangers will be the breaking of parent governors' continuity under the Bill. Difficulties will arise.

There is a three-tier system in my county. We have the five to nine-year-olds in the primary or first schools, the nine to 13-year-olds in the middle schools and the 13 to 16-year-olds in the high schools. If parent governors are to have a four-year tenure of office, there will be difficulties. For example, some children will not be in the same school for four years. Secondly, a parent will probably not want to be involved as a governor of the school which his or her child attends for the first year that the child is at the school. The parent will become interested in the role only after the first year has passed. The parent will become a parent governor eventually and by the time that he or she has his or her feet under the table and is taking an in-depth interest in the governing of the school, the child will have left.

If we are to talk about parent governors in the right context and in proper terms, they must be the parents of children who are attending the schools of which they are governors. The parent governors of my board serve while their children attend the school of which they are governors. There is an arrangement through the parent-teacher association and the parents' organisation that provides that when a governor's child leaves the school, the parent leaves the board of governors. That seems eminently sensible, but that will not happen under the Bill. There must be flexibility for the education authority. It

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must be allowed to make some arrangement in the interests of parents and children that is suitable for the requirements of the school.

There are other difficulties. I note that in one paragraph it is suggested that the person or persons who appoint the governor can then remove him. I cannot see how that can work in terms of a parent being appointed by the parents of a school on a ballot—I assume that there will be a postal ballot—as a parent governor. The problem will arise if the parents wish to remove that governor. What do they do? Do they call a special meeting and cause problems between one group of parents and another? There will be all sorts of problems. While this should not detract from the idea of having parent governors, there should be a more flexible arrangement than that suggested in the Bill.

With regard to the curriculum, I find it difficult to understand the proposition in clause 16:

"It shall be the duty of every local education authority—

(a) to determine, and keep under review, their policy in relation to the secular curriculum for the county".

Clause 17 provides:

"The articles of government for every county, controlled and maintained special school shall provide for it to be the duty of the governing body to consider—

(a) the policy of the local education authority . . .

(c) how (if at all) the authority's policy should in their opinion be modified in relation to the school".

It goes on to say that it is the duty of the head teacher "to have regard—

(i) to any representations which are made to him, with regard to the determination or organisation of the secular curriculum".

I find that very worrying and complex. The system that is operated in all the schools in which I am involved is that the Department lays down general principles about the curriculum and the local education authority considers this in the context of its responsibilities. Indeed, this Friday evening we will be discussing in detail one aspect of the curriculum sent to us by the local authority, and the visiting governors will be considering that aspect of the curriculum when they visit. Conclusions will then be reached that will be relevant to the local education authority's policy and to the Department's policy. I see nothing wrong with that system. What is now suggested will cause some consternation and problems as to who determines the curriculum.

Clause 42 on recoupment will cause some problems in my county, as I imagine it will in many other shire counties. In essence, it means a free trade of further education students. The proposition will significantly affect the activities of shire counties closely associated with metropolitan areas. In my county of Northumberland there is a prime example. We have about 351 students now in establishments outside the county in an arrangement with other authorities which works quite well. They are in Newcastle or north Tyneside. The cost is about £600,000 a year. The students are taking courses that are either not available or are over-subscribed in Northumberland. That seems an eminently good arrangement. The suggestion is to change this so that students will be able to attend a college of their choice, irrespective of the subject that they are studying. The limited facilities for further education in the county—ours is predominantly a rural county—will be seriously affected by the students who are going out to nearby areas, as will the costings.

I cannot understand why clause 49 is included in the Bill. It is proposed that the schools report to the local education authorities and the parents, which is right and proper, and that the areas report to the Secretary of State, but not that the Secretary of State reports to the House. There ought always to be an opportunity for the House to discuss education across the board.

I look forward to detailed consideration of the Bill in Committee.

7.35 pm

Mr. Spencer Batiste (Elmet): It is with pleasure that I add my congratulations to my hon. Friend the Member for Derbyshire, West (Mr. McLoughlin) on an excellent maiden speech which amply reinforces both the decision and the good judgment of his constituents in electing him.

It was also with pleasure that I listened to the Secretary of State present his first major Education Bill. I am delighted, as I am sure are all my hon. Friends, by the grasp and good sense that he has shown after so short a time in office. That is bad news for the Labour party, but good news for anybody who is concerned about the future of education.

A good education system is an essential asset for a modern technological society. Yet there is widespread concern that our system has fallen behind those of our main competitors and a recognition that, while my right hon. Friend and neighbour the Member for Leeds, North-East (Sir K. Joseph) as Secretary of State developed strategic policies that will do much to redress the balance, they must now be implemented quickly and effectively.

Of course adequate, well-directed and properly managed funding is an essential ingredient in the success of those policies. I am delighted with the announcement today about the GCSE and the extra £20 million. I hope that everyone will note the rapid agreement of the Opposition parties that the new examination system is now properly funded, that the delays and disruption in introducing it can now be swept away, and that this important new measure can come into being quickly and peacefully. Equally, there are other major problems that require funding such as the recruitment of science teachers. In many parts of the country, this has become almost impossible.

However, providing extra money alone is not in itself a solution. The recent Audit Commission report highlighted the hundreds of millions of pounds of waste in current spending. This comes as no surprise to us in Leeds—I am delighted to see that the hon. Member for Leeds, Central (Mr. Fatchett) has now returned to the Chamber—where the Labour-controlled local education authority has an unenviable record of bad management, of waste and of generally giving education a low priority. We have, for example, the second lowest level of spending per pupil on education of any metropolitan district in the country, and £100 per pupil below the average. Moreover, when the local education authority was finally forced into addressing the problems posed by falling rolls, it did so in a doctrinaire and insensitive fashion that has aroused concern and despondency in my constituency and elsewhere in the city.

Last year that concern was well articulated by the governing bodies in certain comprehensive schools in my constituency. They organised a very successful campaign against the original plan put forward. The price that they paid for that within a very short time was the complete

reconstitution of those governing bodies and, on the most vocal and successful, the imposition of an absolute majority of Labour party nominees.

Nor is it a coincidence that in Leeds, as in other Labour-dominated local education authorities, strong and independent head teachers and public servants are under increasing pressure to toe the Labour party line or become isolated and take premature retirement.

This undesirable politicisation of our schools and the unnecessary over-centralisation of their budgets must be addressed quickly. The Bill does not go as far as I would like it to go in tackling these structural problems. I accept the lesson of our very successful industrial relations legislation when we proceeded step by step, bringing public opinion along with us at each stage and ensuring the widest possible acceptance for each action that we took. The bugs were ironed out at each stage. I accept that as an approach.

What then are the objectives that we seek in the Bill? The most important for me is the shift of power from the local education authorities to the governing bodies and the striking of a more representative balance on those bodies. It is a good Conservative instinct to devolve power to those most closely affected by its exercise.

My right hon. Friend the Secretary of State described his policy as trying to devolve power from the hub to the rim of the wheel. He should pursue that and trust his instincts because it is a sound policy. I should like to see the maximum possible devolution to schools of responsibility and budgetary power for the fabric, for the provision of facilities and materials, for discipline and curriculum and, above all, for the choice of staff, including particularly the head teacher.

Good leadership is just as vital to the goals and success of a school as it is in other aspects of life. That is why the selection of head teachers is crucial and should be free from political interference, as the head teachers themselves should be free from political interference in the proper performance of their duties.

Reference has been made to an effective appeals procedure against disciplinary decisions by head teachers. I hope that my right hon. Friend the Secretary of State will look further at that. Some colleagues will be familiar with the guidelines for members of governing bodies which have been produced by various militant organisations that prefer to remain anonymous. They have been widely circulated in many parts of the country, and are circulating now in schools in my constituency and elsewhere in Yorkshire. It is important to listen to exactly what is being said. Hon. Members may well see the very same tactics being employed in schools in their constituencies. I am talking about a comprehensive set of guidelines on how to disrupt a school's activities.

The guidelines deal with governors' meetings, the head, teaching and non-teaching staff, and pupils. Those guidelines refer to governors' meetings and say:

"Action at these meetings will depend on whether members are in a majority or not. . . . When in the majority — ensure Chair and Vice are members and continually press to a vote. . . .Always meet as a group prior to the Governors' meeting, decide points to be raised and who raises them. The aim is to act as one while seeming to act individually . . . Increase the numbers of meetings to two or three per term. If non-members find attendance difficult so much the better . . . Pick awkward times for meetings— 5.30 pm, 9 am. . . . Always raise pre-planned, 'unexpected' points."

The guidelines become even more sinister when they deal with the head. They say:

"The Head is the single most powerful person you have to deal with in the school. His strength lies in his separateness, although this can be turned to your advantage . . . The head's main weaknesses lie in remoteness from some of what happens in the school, rarely having decisions questioned, and a feeling of rivalry towards other Heads and schools, especially in the falling roll situation."

The guidelines then make a series of specific suggestions:

"*(a)* Constantly question statements made by the head.

(b) Imply concealment of information.

(c) Seek to isolate the Head from staff and Governors.

(d) Visit school unannounced . . .

(e) Ring up and question Head on any and all matters . . . The Objective is to keep the Head off balance, undermine confidence in policies, make staff, parents and students suspicious of Head's motives and create tension in and around Head."

The guidelines identify one particular policy. They see the retention of sixth forms as being the most crucial means of undermining the head teacher. That sounds ludicrous, but it is happening in a school in my constituency, and in many others elsewhere. I am sure that my hon. Friends will also have seen other documents.

There is an article about the police in schools that makes all sorts of absurd suggestions and that is widely circulated. It talks of the police as being the natural enemies of children, who should be warned. It says:

"The police 'helped' kill Blair Peach, a teacher, and too often beat up Black youths in cells and many of the children know this. It is essential that children are aware of their rights."

I have another document that has been produced by the Bradford and Leeds lesbian teachers group. Mention has been made of the need to be sensitive towards the problems of homosexual teachers. I accept that, but I do not think that I am alone in finding blatant proselytising by homosexual groups in schools unacceptable and offensive. This document states:

"At every level of the education system students are misinformed about lesbians and denied the opportunity to explore anything other than the very conventional heterosexual relationship. Young women are forcibly directed and channelled into heterosexuality".

It is, indeed, a very sad day if heterosexuality has become a crime.

Worst of all is the corrosive effect of persistent propaganda on young minds. I have with me a leaflet that is financed by a local education authority. A group of young girls were taken for the day to an Afro-Asian centre, given a lecture by the people there, and then asked to write poems. The poem of one young girl is set against a picture of two people in black masks with their arms raised in the air in clenched fist salutes. The last part of the poem reads:

"They don't care what happens
They've got the power
They know they can't get caught
I hate them!
They should be removed from this world.
They are supposed to help people."

That document was produced in a school and its publication was financed by a local education authority. I do not object to the balanced teaching of party politics; indeed, I welcome it. Nevertheless, I have anxieties about clause 16. But I object to the teaching of subversion, violence, lawlessness and distorted values.

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The Bill goes a long way towards meeting my concerns, but if it is to succeed more parents must take a greater part in their schools' activities. With that proviso, I welcome the Bill and commend it to the House.

7.45 pm

Mr. Michael Hancock (Portsmouth, South): As my hon. Friend the Member for Cambridgeshire, North-East (Mr. Freud) said, many parts of the Bill can be welcomed, and which represent the correct course for the development of education in England and Wales. However, to describe it as the most significant piece of legislation since the Education Act 1944 is, as has been said, pushing credibility to the extremes and is seriously misleading.

Much of what Conservative Members have said does not stand up to scrutiny. I wonder whether the Government think that by including a mass of detailed regulations in the Bill education will automatically improve. Indeed, despite attempts to clarify relationships between different education organisations, such as the relationship between the local education authorities and schools over the curriculum, the issues are further confused by the Bill, and we shall seek to clarify those and other matters in Committee and during the remaining stages of the Bill.

In the few minutes at my disposal I shall try to draw out some of the points and to elaborate on those raised by my hon. Friend the Member for Cambridgeshire, North-East. For a long time hon. Members and the public have been concerned about the composition of governing bodies. There is now a consensus on both sides of the House that there should be increased parent participation in school governing bodies. However, when it comes to the overall composition, I would prefer—and the alliance generally would prefer—to see the Lord Taylor model of equal representation on governing bodies being adopted. I believe that parents would like more teachers as governors of schools, and I believe that in all but the smallest schools non-teaching staff have a role to play on those governing bodies. It is important that we try to include those with expertise who are not teachers, but who have a role to play and who are dedicated to seeing that the school is run properly.

I shall draw attention to what else is wrong with the governing bodies of schools. For 16 years I have been a member of a local education authority, and every year the thing that causes most concern at the annual meeting is the proportion in which school governorships are given out. It is ludicrous that in a county such as Hampshire, which is the largest spending local authority in Great Britain, some councillors sit on four or even five school governing bodies. They do so solely to exercise some sort of political control. Incidentally, I am talking not about a Labour-controlled authority, but about, until quite recently, a heavily Conservative-controlled authority.

I deal now with what parent power can mean to a school. Along with parent power, we must try to introduce some community power. We must allow schools to open up more than at present. In my constituency space is at a premium, and it is ridiculous that playing fields should be left unused for so many hours. We must break down the prejudices of head teachers and allow the community into our schools.

Now for some of the clauses that deal with the curriculum. I believe that the Government may have laid a minefield for themselves to walk into. I sincerely hope that the Government will look closely at the drafting of clauses 16 to 19, and allow amendments in Committee to make clear which responsibilities lie with the local education authority and which with the governing body. As drafted, I am sure with many head teachers will find themselves in a difficult position, standing between their employer and the wishes of the governing body, if there is a disagreement on curriculum policy. At present there is a vague area.

Some Labour peers argued in another place, and some hon. Members, especially Labour Members have argued again this afternoon, for the main responsibility of the curriculum to lie with the local education authority. However, if we are to have more effective governing bodies, and therefore better schools, they need sufficient local autonomy to adapt to local community wishes.

However well the clauses on the curriculum are drafted, there is bound to be a grey area where responsibilities are divided between the two groups. There needs to be an appeal procedure to adjudicate between the two. That procedure could also be employed in a school such as Poundswick. The appeal mechanism needs to be visibly independent, and above all needs to be able to make decisions quickly. In the past, education has suffered badly from the length of time that delays were allowed to continue and undermine the confidence of the teaching profession.

The question of discipline once again raises many doubts about the best way to deal with it. Clarification is needed in the clauses to separate the roles of the head teacher and the governing body, but more important is a properly set up appeals procedure independent of the LEA and the governing body. Such a mechanism is needed. It should not often be used, but it should exist and be in place soon after the Bill becomes an Act. The proposals in clause 22 for the appeals procedure are inadequate and may not necessarily exist when an incident occurs. I hope that in Committee hon. Members will reconsider the clauses dealing with this part of this involved and complex legislation.

Once again corporal punishment needs to be thoroughly considered. One cannot simply cane schools into becoming better and more profitable. The use of canes in schools will achieve nothing. At least one Conservative Member, who is strongly against the use of the cane, said today that he sees no rhyme or reason, at a time when we are trying to discourage people from violence, for introducing corporal punishment or indeed allowing it to continue in our schools. It solves no useful purpose whatever.

The provisions on teacher training are some of the most important to the teaching profession. I urge the Secretary of State and the Government most strongly not to introduce heavy-handed regulations, but to try to bring about their objectives by consent. The last thing that schoolchildren and teachers need is for old wounds to be reopened by a ham-fisted attitude of the Department of Education and Science hell-bent on forcing through appraisal against the wishes of the teaching profession when progress can be implemented in a more constructive and consultative manner.

Industrial relations in the teaching profession have improved of late. It would be wrong to see that

improvement undermined by thoughtless regulations being forced through. I seek a commitment from the Minister of State when he replies tonight that he is not prepared to see such an attitude persist. I hope that he will not embark on a system of appraisal that will further demoralise an already punished profession, as the teaching profession sees itself at present.

There is a consensus that more needs to be done continually to train and update teachers in new methods and techniques. That is something that meets with the approval of hon. Members on both sides of the House. The real test of the Government's sincerity in this area will be the resources that they are prepared to put in. This is the one part of the Bill that requires a lot of money. As the Bill is only enabling legislation in this respect, I shall be interested to hear how much money will be allocated specifically for this purpose—not old money, or money redistributed in the education budget, but new money that will be brought into the budget for the specific purpose of upgrading the in-training facilities that are to be offered to all teachers.

I add a note of caution. The grant-aiding power gives the Secretary of State direct control of the curriculum by allowing him to be the arbiter of the courses for training or re-training to which the resources should go. The Secretary of State may decide to favour one subject to the detriment of others. This could affect the power of the LEA and the school governing bodies to determine their priorities within their areas. In addition, it is not fair on teachers whose subjects the Government choose not to favour. This is another aspect of the Bill that needs to be thought through carefully, with all interested parties being involved in the discussion.

It would appear that once again I have not had very much time to elaborate on the purposes or the thoughts that need to go into the Bill. It is important that the Government have taken the first of what I hope will be many steps to improve the education system. Much of the Bill goes a long way to dispel the fears about the problems that the country is facing, but it would be a mistake for any Secretary of State to believe that the Bill, by seeming to cast a spell over education, will by some form of magic, solve the problems of education. The problems go far deeper than that, and I hope that in Committee the Christmas tree which the Minister of State described on more than one occasion will grow into such proportions that it embraces the thoughts and ambitions which hon. Members on both sides of the House have for the education service.

7.55 pm

Mr. Gerald Bowden (Dulwich): I am grateful to my right hon. Friend the Secretary of State for seeking constructively to redefine the relationship between the local education authority, its teachers, its parents and its governors. I should declare an interest, because at different times in my life I have fulfilled all four of those roles, sometimes two or more simultaneously, within the Inner London education authority. During those years there has been no doubt that within that relationship ILEA has played a dominant part and has adopted a patronising approach not only to its teachers but to its governors and parents. I welcome the Bill because it seeks to enhance the status and importance of governors and parents for the benefit of the children whom the local education authority is there to educate.

I first became a governor of a primary school. It was noticeable in that school that ILEA sought to belittle the governing body, indeed in a literal way. The governors' meetings were held in the library of the school. The library tables and chairs were designed for six or seven-year-olds. The governors sat around the small tables on the small chairs. In an immediate sense, that was the way in which we were given a sense of our small importance.

Within the framework of the agenda, ILEA dictated what should be on it. It put on matters of substance which it said must be discussed by the governors and which it required them to take note of, and report on. The Bill will reduce the importance and the dominance of the education authority in its relationship to those it serves. That would take effect in several ways.

I welcome clause 25, which provides that the governing body shall have a financial statement from the local education authority on how money is being spent in its school. I hope that that financial statement will be a detailed statement. It is of little help to governors perhaps not versed in business affairs to know whether a global sum for transport or a global sum for maintenance or for any other allocation for the school represents value for money. It would be helpful to the governing body if it had a breakdown of, for example, the cost of providing a coach week by week to take children to the sports field and back again. With that sort of breakdown the governors can judge whether the service provided by the education authority and the transport division represent value for money or whether resources spent on the transport department could be better spent at the chalk face.

Likewise with maintenance. Those of us who have served on governing bodies over the years have seen the protracted negotiations necessary to get even the smallest job done—for example, a wash basin fitted in an art room where children are painting and need to wash their hands rather than go to the cloakroom. The time that has been spent by the architects' department and other parts of the organisation as represented in overheads and cost to the authority would horrify those who are of a practical turn of mind and who would know what would be in the outside world the cost of providing such a facility. Therefore, I hope that clause 25 will enable governing bodies to have a precise breakdown of how the money is being spent, even to that detailed level if necessary.

I welcome my right hon. Friend the Secretary of State's suggestion that an amendment would be made in Committee to allow governing bodies to co-opt to their number people with experience in reading balance sheets who could interpret financial and business statements. A lay body will need that sort of assistance when it comes to make a judgment on the financial statements before it. That would be a great help in ensuring that governors are truly responsible for the welfare of the school and was seeking the best value that it could from the resources available. The requirement of holding annual meetings and producing reports would be a way of ensuring that the governing body felt that sense of responsibility to the pupils, parents and community.

The report should not only quote the school's financial situation and set out its budget, but should set out its priorities. We have already discussed whether a school should decide in what direction money should be spent. With such a statement before them the governors would be in a better position to decide whether they needed to augment teaching or another aspect of the school's work.

[Mr. Gerald Bowden]

The report should also state achievements in other areas —academic, sporting, music and social. A statement of policy is essential for a governing body to know how it is succeeding in its direction or control of the school. It is even more important for parents who are choosing a school to know what policies are in the minds of the governing body and in the forefront of the school's objectives. That would give parents a far better choice in choosing the school that they think best for their child.

Statements should make clear the school's policy on discipline. It has always surprised me, when we come to debates or discussions in the House and corporal punishment is mentioned, that a group, rather like the Pharisees of old, put on that holier-than-thou expression which says, "I am virtuous. Unlike other men I do not believe in corporal punishment."

I do not regard myself as being on the Right wing of the party or indeed on the Left wing. Nor shall I be labelled as being on any particular wing or part of the party. However, I know where I stand and I have no wish to see my children beaten or to see other children beaten. But I would have a greater sense of reassurance if they were in a school which had that sanction. It would not be beyond the wit of any governing body or draftsman to make sure that legislation can meet the requirements of a wider community as well as those of the immediate community, so that parents have a choice. If a school's policy statement says that corporal punishment is an available sanction, it would be for parents to choose whether they wanted their children to go there. They should not be dictated to by those who sit remote from violence in the classroom, in this House enjoying a sense of moral virtue in making such statements.

The Bill produces a framework in which parents can make a choice. When parents can make a choice, there is some sense of progress in education. In London, the quota system which says that schools must be held down to a limit to ensure that all have an equal spread is wrong. If schools were allowed, on their policy statement and on the statement of their achievements and their report, to recruit to their capacity rather than to the quota laid down, there would be some sign of an improvement in education by it being parent-led.

I welcome the Bill because it is a step in that direction. I was going to describe it as a modest step, but it is a firm step, although not too stretching a step. I am sure that it will be for the benefit of the children who grow up in Britain and require the support of our education system in the years to come to prepare them for life that lies ahead.

8.4 pm

Mr. Fred Silvester (Manchester, Withington): On 11 February I and several of my hon. Friends introduced a private Member's Bill to try to bolster the right of free speech in universities. I am delighted that in another place the Government have now decided to accept that principle. Our Bill is better than the amendment proposed in another place and if they are having difficulty I suggest that they look at it. However, I welcome that and I shall say no more about it other than that it is good to see it on its way.

The crucial element in the Bill is whether we are prepared to put our trust in the new system of education provision in Britain. We are, as I understand it, trying to bring to bear on the government of schools the coalition of the parent, the teacher and the lay governor. That triumvirate will essentially be the engine by which a particular school makes its way. Therefore, schools will develop in various ways with various advantages and disadvantages and from that series of decisions will come the choice which people in the state system can enjoy.

If that is our objective, the one fear that I have about the Bill is that we are not carrying our faith through. On a number of points in the Bill we do not seem to be trusting the new governors as much as we should. The point about discipline has been admirably described by the hon. Member for Ipswich (Mr. Weetch) and I shall not go over that again. My hon. Friend the Minister knows the difficulties that have arisen with the Poundswick school in Manchester. They have simply brought to the surface the basic problem of whether the headmaster and the governors have the right to determine how discipline shall be enforced in schools. That responsibility must lie with those who wish to determine a school's ethos and to enforce it. Anything which is done to take away that right will undermine the value of a school and the power to make it a good school.

I opposed the Education (Corporal Punishment) Bill, as I said when I intervened earlier, because it was a pig's ear of a Bill. It contained the nonsense of people registering to show whether they wanted to be caned. It was a daft Bill. I still think that my proposal, which was rejected by the hon. Member for Durham, North (Mr. Radice), is the one that we shall end up with. However, on the same principle, if I believe in the triumvirate running schools, whether I believe in caning in schools or not, is immaterial. What is important is whether the people running the school believe in it and think that it will enhance the value of a school. The parents and governors make that decision and I would leave it to them. Therefore, my right hon. Friend has made exactly the right decision.

I am a little worried about the curriculum. As I understand it, under the Bill the local education authority is to set out document A on curriculum. It can then be topped up by the Governors in document A2. It can then be varied a little by the headmaster, provided that he carries the Governors with him, with document A3. That could be a recipe for some difficulty. I can foresee that in a nice local authority where everything is sweetness and light, that would be fine, but in some of the heavier city authorities, that could lead to a great deal of conflict.

When my hon. Friend the Minister is putting the system to the test in his mind, I urge him to play one of those end games and see what would happen in ILEA or Manchester where conflict might arise. I urge him to put the rights of the governors in respect of the curriculum on a level with those of the headmaster, pre-eminent above those of the local authorities. That is of great importance.

I add to that another area which is not covered by the Bill; that is the problem of admission to schools. My right hon. Friend the Secretary of State kindly said that he would pass appeals on discipline over to the appeal system for admission to schools. That does not give me much confidence, because I am not happy with that system either. At the moment, the local authority has the power to decide which children should go to which schools according to the catchment areas it defines.

In Manchester—I am sorry to be parochial, but it is an obvious example—there has been a switch of children to the south of the city and the difficulties experienced

between authorities are now being experienced within the city boundary. One area of the city is expanding, leaving behind empty schools in another part of the city. The local authority is not prepared to switch resources from the rattling area to the full area. The governors ought to have power, if necessary, to put in a portakabin, or whatever is necessary, to take children from their area.

I urge my hon. Friend to say something about clauses 43 and 44. The Bill seems to provide a means whereby schools can apply to become aided schools and, as such, acquire additional powers. That has always seemed an admirable way to proceed. It might be worth considering whether they should have to buy themselves into that system as proposed by the Bill. At the moment, they must find the money that the local authority found previously. I should like to see some experiments in which the Government would pay the money to the local authority to get a few switches over, without cost to the governors of the schools. I do not suggest that we do that on a grand scale, but it would be an experiment worth trying.

I shall emphasise the basic point of the Bill. In the debate, analogies and similes have been made about Christmas trees, and so on. Let me stick with the analogy of the Secretary of State about the rim and the hub. We do not quite know who is on the rim and who is on the hub. In my picture book, it is quite clear that central government is on the hub and the parents, governors, teachers and schools are on the rim. I am not quite certain where to put the local authority. The problem about the education system is that none of us is clear about where to put the local authority. The Bill must face up to that. Central Government carries the can. Local people make education by building schools, to which they send their children, raising money, and doing all the things that make a good school. If we must squeeze somebody, let us squeeze the local authority.

8.11 pm

Mr. Nigel Spearing (Newham, South): This is an auspicious day for the Secretary of State for Education and Science. Unfortunately for him, I believe that the Bill is inauspicious. However, I have no doubt that the Secretary of State, with his customary flair, will make the necessary political mileage out of it. In my view, the Bill is a miscellany of a number of relatively small and uncontroversial statutory administrative adjustments. Many matters are causing concern in the educational world.

The Bill attempts to tackle the concerns by legislation. Hon. Members may know that before I became a Member of Parliament I spent 14 years in the classroom. I do not believe that the Bill will do the trick, because I do not think that the concerns are susceptible to improvement by legislation. Indeed, legislation may complicate matters a great deal. Court actions can be taken. Lawyers will become busy. Case law can be established. A whole new —dare I say it—administrative bureaucracy may arise around those statutes.

Clause 24 relates to instruction on human reproduction. Clause 40 relates to appraisal of performance of teachers. Having been involved in both those subjects in the school classroom, I can assure hon. Gentleman that good will, understanding and sympathy are the things which make those work. Law is a long way from that. Certainly, we require money as a basis for education. Certainly, we require law. But good will in the school and good will between all those involved, especially parents and teachers, is what makes things tick. It is not only good will but confidence based on performance. I do not say that in the narrow, Josephite way of the former Secretary of State.

Clauses 48 and 49 are susceptible to legislation. The clauses would remove two duties laid clearly on the Minister, and now the Secretary of State, in the 1944 Act. Clause 48 removes the statutory injunction to appoint two advisory councils for education. Clause 49 removes the obligation on the Secretary of State to make an annual report to Parliament in respect of his powers. Those are two classical matters and duties that are susceptible to legislation.

I am sorry that the Secretary of State, in his opening remarks, did not refer to the abandonment of obligations placed on him by Parliament. Parliament placed the obligations on the Secretary of State in 1944. The Conservative Government were looking, at that time, to the future of post-war reconstruction. The debates on those clauses are important. I have read them. They were non-party debates. The then Mr. R. A. Butler outlined the need for advisory councils to deal with many of the ills that exist today. He foresaw many of the relationships with which we are grappling now. There was full-hearted accord in the House—it went across every party—for the inclusion of key clauses 4 and 5 in the Education Act 1944.

As a professional teacher, I was appalled when successive Secretaries of State from both parties failed to carry out the injunctions of those parts of the Act. On 22 October 1971, I raised, with notice, an Adjournment debate. The then Minister for Education, who is now the Prime Minister, pointed out that she had failed to obey an injunction of the House regarding section 4. In the House, she refused to comply with it. She said:

"The background is completely different and it is against this background that the position of the C.A.C. should be viewed now."—[*Official Report*, 22 October 1971; Vol. 823, c. 1197.]

The right hon. Lady was arrogating to herself that part of an Act of Parliament which, as Secretary of State, she had the duty to comply with.

I was astonished to learn that any Member of Parliament, any democrat, could blatantly make such a statement. I do not believe that the officials of the Department would have advised her to do such a thing. I do not think that the most skilful Sir Humphrey could have succeeded. It was part of the attitude of the right hon. Lady to Parliament and to education. Therefore, nothing that has happened since and nothing that the right hon. Lady has said or done since has surprised me. If she could have done that, what could she not do?

On 17 July 1984, I raised the matter at Prime Minister's Questions. The right hon. Lady said:

"I do not think that I was ever taken to task for refusing to obey the law in the Education Act 1944."—[*Official Report*, 17 July 1984; Vol. 64, c. 168.]

In subsequent correspondence, the right hon. Lady would not admit that she had done so. I say that almost by way of example, because it typifies the Conservative party's attitude to education. It wants to put into education some of the inadequacies which it may correctly see, but it believes that it can be done by statute, coercion and bargaining. That was the hallmark of the right hon. Member for Leeds, North-East (Sir K. Joseph).

[Mr. Nigel Spearing]

The Government want to get rid of the provision that the Secretary of State must report annually to the Parliament on the discharge of his statutory duties. I suggest to the Secretary of State that, in Committee on the Bill, he should read those sections of the 1944 debate in Committee relating to the function and purpose of the central advisory councils, and the importance of an annual report to Parliament by the Secretary of State—not only on the activities of the central advisory councils which have the power, under section 4, to bring any matter they think fit to the Secretary of State, and to consider why they have not been used by successive Secretaries of State of all parties. I suggest that it would be a good idea—turning over a new leaf in the Conservative party's and the Government's educational history—for the right hon. Gentleman to reconsider clauses 48 and 49 and to maintain sections 4 and 5 in the Education Act 1944 which, under R. A. Butler and a united House, laid the successful foundations for our current educational system.

8.20 pm

Mr. Harry Greenway (Ealing, North): I add my congratulations to those already offered to the hon. Member for Derbyshire, West (Mr. McLoughlin) on his maiden speech and to my right hon. Friend the Member for Mole Valley (Mr. Baker) on his comprehensive and valuable first speech on education as Secretary of State.

I shall concentrate on the implications of clause 49. I agree with those who are sad that the proposal for pupil governors has not been included in the Bill. I have sat on school boards that included pupil governors and always found them to be sensible, genuine and interested in their school. However, I believe that pupil governors should be at least 16, and possibly a little older, and should not be involved in confidential information about staff. I commend the proposal to my right hon. Friend. Pupils are responsible enough to be school governors and would be a valuable addition to school boards.

School discipline is an important subject because many teachers say that their authority in schools is undermined more by bad discipline than by anything else. They say that, more than any other factor, bad discipline is lowering their morale. It is essential to consider that aspect. The House has a responsibility to back the teachers in their difficult job. Discipline is an important and integral part of education and should be considered in that light.

School discipline, like all discipline, must be based upon self-discipline. In the end, there is no other acceptable form of discipline for an individual or for society. Self-discipline comes from a pupil's acceptance of religious and/or moral codes. Sadly, religious education in schools is in a perilously weak position. However, it is good to note that church schools are flourishing. Parents have shown a strong demand for church schools, principally because they are clear about where those schools stand on moral issues and about the discipline and standards of behaviour that they impose on pupils—Christian standards.

Ten of the top 17 schools in the Inner London Education Authority area are church schools but, sadly, ILEA at its first meeting as an elected body passed a resolution that the church had no valid role to play in schools. That resolution is to the eternal shame of ILEA and the Labour party. Church schools are popular because discipline in them is clear and is based upon Christian ethics. They can be compared with some county schools. Recently, the Religious Education Council said that two thirds of primary schools were vague in their teaching of religious education. Teachers handling the subject are not suitably qualified to handle that situation. In a quarter of all comprehensive schools there is no religious or moral education after the third year of education. That is serious, but it is not surprising. Dr. Scotland, a senior lecturer in religious studies at the College of St. Paul and St. Mary in Cheltenham, recently wrote to me saying that in

"Gloucestershire only 8 secondary schools out of 40 are teaching a GCE 'A' level RE course. In Somerset the figure is only 3 schools out of 30. In Avon the picture is slightly better with 19 out of 61."

This means that the supply of suitable, well-qualified teachers will dry up soon unless we take positive action.

In many cases children are not being taught the difference between right and wrong. Is it surprising that children do not live together harmoniously, as they should, within a school and within a community? Is it surprising therefore that there is appalling soccer and other violence? Violence occurs because a child has not learnt at a crucial age to respect the validity of every individual and to love his neighbour as himself, which principle is basic to the Christian religion and to many others. It is important to teach children self-discipline.

Corporal punishment has a certain validity. It is worth raising this matter especially firmly now when there is so much serious lack of discipline. I know of schools not far from this building in which some groups of children are trotting about like packs of hounds, completely out of control and intimidating pupils and teachers. That is not right. Lack of discipline in schools damages the education of everyone, and we must understand that.

Those who want to abolish corporal punishment, such as members of the Labour party, must come up with a feasible alternative, but they have not done so. If corporal punishment is abolished, more children will be before the courts and more will be suspended from school or expelled. What other sanctions can be imposed? The Society of Teachers Opposed to Physical Punishment has suggested that children be put on report and that a child carry a sheet with him to each class on which teachers write whether he has behaved satisfactorily. However, sometimes children put those sheets in the bin and take no notice. They are not interested in lines—anyway, lines are not constructive educationally. Why should children be forced to do mathematics as a punishment? It damages the subject.

Corporal punishment has a part to play, but it must be reasonably administered only by the headmaster or deputy headmaster or by his specific appointee. It should be administered only as a punishment for serious offences, such as gross bullying. Even then it may not be the right form of correction for a child. It is valid in certain circumstances, and I believe that people recognise that.

It may be valuable to have a national referendum on corporal punishment. I think that the country would like to have its say. My right hon. Friend the Secretary of State is right to ask schools to decide what disciplinary procedures they will use. The governors, the head, teachers and parents should be involved in that decision. Discipline in schools cannot be decided at Westminster, in Strasbourg, at town hall or county hall—it must be decided in the school.

Mr. Spearing: Yes.

Mr. Greenway: I am grateful to the hon. Gentleman for his support. He has a long record of success as a schoolmaster.

I should like to ask my hon. Friend the Minister some important questions. Will the decision by governors to institute corporal punishment be reversible? If so, how regularly can that be done? Will Labour Members have a free vote on this subject? I fear that the Labour party is bound by Labour party conference decisions on this matter and that its members will not vote freely even if the Whip is taken off. The Labour party conference has decided what Labour Members of Parliament should say in the House. Therefore, the Labour party is not democratic on this, as on so many other issues.

We have to be wary of where the Labour party would like to take us on school and family discipline. I believe that it is the aim of the Labour party to take us into a situation such as that in Sweden where children of five are given letters at school to take home to their parents and are instructed in school to go to the police station if they are smacked by their parents, and it is promised that the police will take action against their parents. I fear that that is the way of the Labour party. The country is concerned about it and the House should also be concerned.

I hope that the House will decide to continue with reasonable corporal punishment because it has a substantial part to play and has a value in schools. However, it must not be overplayed.

8.30 pm

Mr. Guy Barnett (Greenwich): I owe you, Mr. Deputy Speaker, and the House something of an apology for not being able to attend a large part of the debate because of duties outside the Chamber. It is a subject for which I should have liked to attend the whole debate. I hope that the House will accept my few comments on this Bill.

I shall not take this same line as the hon. Member for Ealing, North (Mr. Greenway) on corporal punishment, in which he obviously takes a considerable interest, except to say that my experience as a teacher taught me that the very opposite of what he said is true. When corporal punishment was abolished in the school in which I taught the standard of discipline rose.

I believe—other hon. Members have said this and it has been said elsewhere—that the Bill is a major missed opportunity. In no sense does it compare, as some people have foolishly sought to compare it, with the great Education Act 1944. It is a great missed opportunity because it appears to many people outside the House and to me that it is something of a deliberate attack on local authorities and the teaching profession.

The House must realise that some of the great educational advances in this country have take place because of chairmen of education authorities and chief education officers of local parties.

Mr. Spearing: Of both parties.

Mr. Barnett: Yes, of both parties. We could mention many individuals who have contributed. I listened with care to the speech of the hon. Member for Dulwich (Mr. Bowden) who is not in his place now. As usual, it was an attack on the Inner London education authority. He failed to mention the kind of contribution made by Sir Ashley Bramall of the Labour party and Peter Newsam, as education officer of ILEA, who made a significant contribution to the development of education in my area. I must also mention people like Sir Alec Clegg who have made enormous contributions to the development of education. It would be sad if the Bill was seen as an attack on the local education authorities which, in a sense, it is.

It derives in part from the Government's obsession with centralisation in education. Instead of having, as we have had in the past, a partnership of local authorities, parents, teachers and governors running the education system in their areas, the move is quickly towards a partnership between governing bodies and central Government. That is a retrogade step and it will hardly encourage local education authorities to make the same significant contributions as they have made in the past.

Perhaps a more serious feature of the Bill is what I believe is an implied attack on the teaching profession. One of my hon. Friends has already referred to the balance of places accorded to teachers on the governing bodies. I believe that we have to recognise sooner or later that if we are seriously concerned, as I believe everybody in the House is, about the desperate need to raise standards in our schools, we must recognise the enormously important role of the education authorities, the officials and the inspectorate and the role of the teaching profession. To have denied teachers what I believe to be their proper measure of representation on the governing bodies, based upon their own professional experience and competence, is a grave error. I note that the larger the school, in general the smaller the proportion of governors who come from the staff of the school concerned

I have long thought that one of the reasons why standards in schools have not risen and are not as high as most of us would like, apart from the failure of the Government to spend sufficient money on education, is the damage they have done to the morale of the teaching profession. Ultimately, the success of the system depends upon the teachers more than anyone else. The provisions for the composition of governing bodies, as the Government have drafted them, are a slight to the teaching profession, quite apart from the contents of clause 40.

I congratulate the Secretary of State on his appointment, and I know that he has taken a more liberal view than his predecessor on clause 40 and its contents and regards it as something of a backstop. I welcome that. I have already expressed my feelings on clause 40 in the House.

Along with my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery) and my hon. Friend the Member for Easington (Mr. Dormand), the chairman of the parliamentary Labour party, I speak for the National Union of Teachers. The NUT has always been strongly in favour of appraisal. That needs saying again and again because it is often suggested from the Conservative Benches that the NUT is bitterly opposed to the idea of appraisal of teachers. It is welcomed and always has been. What the NUT objects to is the tying of appraisal to negotiations about salary increases to which it has long believed teachers are entitled and salary increases which teachers have long since been owed.

I find clause 40(1)*(b)* very upsetting. I speak as an ex-teacher. The clause refers to "engaging in other activities". Those of us who have been teachers, such as my hon. Friend the Member for Newham, South (Mr. Spearing), me and others, have engaged in activities outside school hours. We have voluntarily and happily given literally hours of our time during the week and at weekends and

[Mr. Barnett]

enjoyed doing it because of the enormous sense of vocation which affects the entire teaching profession. I believe that it is a grave mistake to suggest to teachers that they somehow have responsibilities outside school. I hope that this clause can be tightened up so that, even if the Secretary of State decides that he needs to implement it, there can be no question of appraisal governing that aspect of a teacher's contribution to the life and work of a school.

I welcome the involvement of parents as governors in schools. However, important as that is, I believe that the prime responsibility must rest first with the local education authorities and secondly with the teachers, as it has in the past. I believe that a growing involvement of parents in schools can only be a good thing. I have argued that for many years but I believe that any steps taken by the Government, through legislation or in other ways, to devalue the contribution of the local education authorities or the teaching profession only be very damaging indeed.

8.38 pm

Mr. John Powley (Norwich, South): I am glad to have an opportunity of giving a general welcome to the Bill. I hope that hon. Members will look on the Bill in the same way as they look on the changing face of commerce and industry. Just as commerce and industry are moving along and we have to change the atmosphere in that area of activity, so I believe that education is moving on. I see the Bill as a reflection of some of the changes taking place in education, and it enables us to build on the Education Act 1944 and subsequent Acts to improve our education service.

I encourage hon. Members on both sides of the house and people outside the House to try to put behind them the unfortunate happenings of the past few months, in the teachers' dispute and the GCSE dispute. We all understand that that happened, and we all have our different points of view, but I urge everyone to put those disputes and differences behind them and acknowledge the advantages of the Bill, which enhances the education service. They should not look back in anger and malice, but should look at what the Bill can do to enhance the reputation of the education service.

I welcome the announcement by my right hon. Friend the Secretary of State on the extra funding for the GCSE. Again, may we take my right hon. Friend's positive announcements for what they are? I believe that they are a genuine attempt to bring the GCSE to fruition, with the benefits that we believe it will bring, so that we can get it under way, get the teachers trained in the use of the new curriculum, and introduce it into the schools so that, in due course, the examinations take place in the proper manner.

My right hon. Friend the Secretary of State referred to the experiments in one or two counties, particularly Cambridgeshire, with new responsibilities for school governors. My right hon. Friend may be interested to know that I was a governor of the school in Cambridge where the experiment was first introduced. I little thought then, when we discussed and considered the experiment, that I would be speaking subsequently in an education debate in the House.

I recall that the governors approached the experiment with trepidation. They were not sure whether it was the right way to go. I say with modesty that I saw the potential of the experiment. The matter went to a vote, and the majority of governors saw the wisdom of the experiment. I am no longer a governor of the school, because I have moved to my new constituency home in Norwich, but the school saw the opportunities that were presented by the experiment to further the interests of the school. The governors were given greater responsibilities, which I think they should have. It is pleasing to know that those greater responsibilities will now be exercised throughout the country.

In the short time at my disposal I should like to refer to a provision which I am pressing my right hon. Friend to introduce on freedom of speech at universities. I wish that I did not have to refer to it. I was born and bred in the university city of Cambridge, with all its colleges. I moved to Norwich, with the university of East Anglia. It has been a part of my life to participate in student activities of all sorts. One has always had the belief that places of higher education are there for people with young inquiring minds, enabling them to take part in the learning process while discussing things and sharing and swapping political opinions of all natures. Whether or not I agree with those opinions, people are entitled to express them. Whether those who hold the opinions come from the extreme Right, the extreme Left, the middle or wherever, they should be able to express them in an atmosphere free from interference with their expression. For a long time, that was the case.

Unfortunately, of late, a minority—I hasten to add that it is only a minority—of students have sought to inhibit the free speech of those whose opinions with which they disagree. That is a shame. It must be guarded against. I should like to relate three incidents at the university of East Anglia, and I do so with regret.

My right hon. Friend the Member for Hertsmere (Mr. Parkinson) and I were on a platform at the university of East Anglia with our wives. At a given moment, eggs were thrown at us. Some students, again a minority, sought to break up the meeting. Months later, in a demonstration, my constituency offices were invaded by a few militant students. Property was damaged, articles were stolen, and my staff were harassed. Of more recent note, my hon. Friend the Member for Luton, North (Mr. Carlisle) was prevented from exercising his right to free speech at the university of East Anglia.

In none of the incidents that I have just related to the House was any disciplinary action taken by the authorities. A code of conduct has been agreed by the vice-chancellors and principals, and there is a code of discipline at the university of East Anglia. The incident in which my hon. Friend the Member for Luton, North was involved was videoed and photographed. However, with all that evidence, with the codes of conduct and the disciplinary guidelines, it did not prove possible to discipline the culprits. If we go on in that way, and if those who perpetrate such activities—I repeat that it is only a minority—are allowed to get away with the inhibition of free speech, we are going down a sad road.

In the knowledge that the codes that already exist have not proved effective, the Government have a responsibility to give the universities and colleges up and down the country—not just in my constituency—the means by which the authorities can discipline those who seek to inhibit freedom of speech. The Government will certainly have my support for such measures as they introduce. They must be introduced carefully. I believe that they will

have the support of the overwhelming majority of ordinary people who, even though they disagree with the Right, the Left or the middle, still believe—long may it remain so—that people should be entitled to express their opinions without fear or malice, or the fear of being injured, so that political opinions can rightly and properly be expressed in this country. That right should be enshrined in the legislation. The Government have a responsibility to take action. I shall look at the measures that my right hon. Friend the Secretary of State introduces in Committee to ensure that those freedoms are preserved.

8.48 pm

Mr. Jonathan Sayeed (Bristol, East): Education has been one area in which the Government are perceived to have performed rather less than convincingly. In spite of the long-running sore of the teachers' dispute, I believe that accusation to be unfair. Whether fair or no, it still has been the general perception, but I am convinced that, after my right hon. Friend the Secretary of State's speech, that will no longer be the case.

Although, in real terms, teachers are £1,500 a year better off than they were in 1979, I still believe that many are underpaid. Teachers should not find it difficult to achieve the modest lifestyle which most people would expect. The solution to that problem is in their own hands. Teachers should accept what any other person would accept as reasonable. They should accept job description. One cannot say what a job is worth unless one specifies what the job is. Teachers should also accept assessment. Why should teachers who are excellent be held back by the few who, if they cannot be retrained, should leave teaching?

Pay was cited as a reason for the persistent disruption of education, but the reasons for the dispute were more complex than that. The bitterness has had more to do with the low morale of teachers, which in turn has resulted from the declining respect in which the public has held the profession. That declining respect stems largely from a belief that schools are too often failing to instil the standards of self-discipline and the basic skills that a child needs to face the world. Yet it should be remembered that it is not only teachers who are responsible for that. We live in a society where individuals can all too often blame amorphous bodies for their shortcomings, and parents must accept that they cannot expect others alone to do what they should be doing.

The one person who cannot stand condemned for thinking, caring or listening too little is my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph). If he is to be accused of any offence it is, perhaps, that in the pursuit of open-mindedness and consultation he may have given the impression of vacillating, and may have lost an early opportunity of presenting to the nation the clear coherent structure for secondary education that we all desire.

The Bill does not stand alone but follows Green Papers, White Papers, discussion documents and earlier Acts. It should be considered not in isolation but as part of a continuing process of advancement in the education structure. Therefore, I welcome the greater representation of parents on governing bodies introduced in the Bill, and hope that it will reduce the inappropriate influence that political placemen have wielded in recent years.

However, numbers alone are not enough. I am glad that the Bill makes provision for the training of governors and for the involvement of all parents through an annual meeting and report. Those measures will be particularly useful where parents have the ability and interest to be more actively involved. However, the difficulty is that in some of our worst schools the parents may lack the education, motivation, time or self-confidence necessary, and sectional political interests may continue to dictate.

My right hon. Friend the Secretary of State is to be applauded for introducing the category of co-opted governors, and I hope that industry and commerce will see it as part of their civic duty to take part in the governorship of schools as widely as possible. I hope that schools will encourage pupils, possibly over 16 years of age, to attend some governors' meetings as observers so that they can see for themselves the process of decision making, and can better tell their fellows at school what is happening on the governing body. I hope that even at this late stage my right hon. Friend will consider adding that provision to the Bill.

Understandably, the Labour party has objected to the broad and as yet unspecified powers conferred on my right hon. Friend in respect of teacher appraisal. I suggest that, if it wishes those powers to be limited or more specific, the remedy lies in its hands. It should encourage teachers to see appraisal, not as a threat, but as an opportunity better to fulfil their duties to children and better to achieve their career development through counselling and training. If teachers understand that truth, an agreed and satisfactory pattern of appraisal will emerge through negotiation.

In recognising the achievements of my right hon. Friend the Member for Leeds, North-East—I regret that he is not present—I congratulate him on the emergence of the GCSE examination. Since my right hon. Friend the Secretary of State has clearly demonstrated the Government's commitment to education and to the implementation of the GCSE examination, I hope that we shall get equal commitment from teachers. If they feel that they need even more time to look at the syllabuses, they may be able to spend a few days of their long summer holiday doing that.

One of the benefits of the GCSE examination is that it takes education a small step away from the stranglehold of academics by supplying exams and curricula which offer obvious and practical appeal to those most affected—the pupils—and something of greater relevance to employers. Surely it was the subservience to academia that tempted the Labour party to prefer children to do badly in academic subjects at comprehensive schools to their doing well in technical subjects at secondary modern schools.

My main reservation about the Bill is that it does not contribute to a re-establishment of the broader educational system in which children can achieve their optimum level in skills appropriate to their abilities and to the economy in which they seek to work. I would not seek to lay at the door of the Labour party the blame for all the damage that has been done to our education system during the past two decades. No one party is responsible for the child-centred teaching practices under which literacy and numeracy levels have plummeted. Happily, teachers are now more ready to use a disciplined environment in which more pupils can reach their potential.

Nevertheless, the Labour party was responsible for the destruction of grammar schools. Although that was not an action of political malevolence, as some may believe, it was an action of social naivety. However, it has been done, and its cause lay in the fact that secondary modern and

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technical schools were seen as second-rate rather than complementary and catering for different skills. Since we are left with the bricks and mortar of comprehensive schools, we must adapt that fabric to provide a streamed education with different streams concentrating on different skills, and, above all, with fluidity between streams.

The Bill is set against a background of an improvement in the teacher-pupil ratio from 18·7 in 1980 to the present level of 17·5, and a real increase of 8 per cent. in spending per pupil. But, like many hon. Members, I greatly regret the slow progress that is being made in closing redundant schools and object to the funds which underused buildings are swallowing up. Those funds should be used for educating children in the right schools. Although I accept that the main criteria are not what goes in but the products that come out, nevertheless — funds must be efficiently directed.

Mr. Deputy Speaker (Sir Paul Dean): Order. The hon. Gentleman must come to his last sentence, as we are still on the 10-minute limit.

Mr. Sayeed: My right hon. Friend will realise that I had a number of other points which I wished to make, but I am obviously limited in time. Much has been done by the Bill and I believe that much needs to be done. I congratulate my right hon. Friend on his splendid speech and I look forward to the time when he comes back with further improvements to our education system.

8.58 pm

Mr. Peter Bruinvels (Leicester, East): I welcome the Bill, which was well heralded by the White Paper "Better Schools" produced by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph). I am restricted in my comments, as there is little time.

I want to see more power for all parents, as they need to know more about their schools. I want to see better teachers and I am naturally extremely supportive of the GCSE which will demonstrate the particular skills of each pupil. We will have better teachers as a result of the Bill and the appraisal system outlined in clause 40 is to be welcomed. I also welcome the better promotion prospects that will then be available for teachers.

The curriculum is important and is dealt with in clauses 16 to 19. I believe that it is important that religious education is put back on the agenda. There should be regular school assemblies and many more inspectors should visit the schools to ensure that religious education is taught properly. There should also be properly qualified RE teachers. Politics should be removed from schools and proper moral values should be taught which will preserve family life. More support should be given to church schools. I agree with my hon. Friend the Member for Ealing, North (Mr. Greenway) that church schools have had a good and distinguished record. They promote Christian life and it is my firm belief that we should have more of them.

With regard to discipline, we must cane if caning is necessary. Too many of our teachers have little sanction to discipline the miscreants and social misfits. Today, punishment is based on giving someone lines or keeping them in detention. That does not deter those who misbehave and we must punish those who do so. I am pleased that my right hon. Friend the Secretary of State supports the idea of corporal punishment. I hope that my constituents of Leicestershire will also support it.

Sex education is also terribly important. We must teach the decencies of life and preserve the family unit. We must make certain that parents, like teachers, have a genuine say regarding the curricula. They must be aware of the textbooks which are used. "Biology for Life", which is used by the Midland examining group, is not a book which helps sex education. I hope that when my hon. Friend the Minister replies he will consider this book and the chapter entitled "Sex without pregnancy". It describes how to prevent pregnancy, it encourages abortion without warning of the dangers and it encourages homosexuality. The book states:

> "Homosexual relationships occur quite often in places like prisons and boarding schools where people of the same sex are cooped up together . . . and are not usually permanent or harmful."

In my view, abortion may stop a woman from having another baby and homosexuality may lead to AIDS and a person may lose his life. It is terribly important that we promote sex education which secures and enhances family life. It is a question of good morals and good educational standards.

In the last year of Labour Government, 15·9 per cent. of students had one or more A-level passes; 23·1 per cent. of pupils had five or more O-level passes; 43·3 per cent. had one or more O-level passes, and 44·5 per cent. left with no O-levels. In 1984-85, 17·1 per cent. of all school leavers left with one or more A-level pass; 26·9 per cent. left school with five or more O-level or grade 1 CSE passes; 54·7 per cent. of students had one or more O-level or grade 1 CSE pass and only 9·4 per cent. left with no O-levels.

Far from falling standards, there has been a great improvement in educational standards. The Bill is a great achievement and I wish my right hon. Friend every success. I believe our youngsters are crying out for better education. We have the professional teachers who are paid well to give this education. I have no hesitation in supporting the Bill.

9.3 pm

Mr. Andrew F. Bennett (Denton and Reddish): I certainly have sympathy for those hon. Members who did not manage to catch your eye, Mr. Deputy Speaker, in the debate. It is rather a sad fact that increasingly there are one or two hon. Members who sit through the whole of a debate but do not get called to speak, whereas one or two hon. Members manage to be called early on and then do not spend very much time in the Chamber. I believe that good manners in the Chamber are important.

I would like to join with other hon. Members from this side in congratulating the hon. Member for Derbyshire, West (Mr. McLoughlin) on his maiden speech. I envy the hon. Gentleman's opportunity to meet his constituents and walk through that beautiful countryside. I thought the hon. Gentleman made a good commercial for the food and drink of his constituency. I just hope that sometime the hon. Gentleman will be able to bring down to the House some Ashbourne water and get it into these jugs rather than the stuff that sometimes appears in them.

I also offer my congratulations to the Secretary of State. I thought he gave a polished performance. There were a few hints to the press last night that he had not quite got all the money for the GCSE, but out of the hat comes

the £20 million this afternoon. That is a technique which he will have to polish up to draw attention away from the real issue, which is this Bill. Nevertheless, he is getting accustomed to piloting through Bills with which he cannot be completely satisfied. He did remarkably well to put a brave face on the GLC and metropolitan county abolition Bill — no doubt he will try to put a brave face on this one.

I hope that, now he is Secretary of State, the right hon. Gentleman will have left a few goodies for his Minister of State. Perhaps the Minister will be able in his winding-up speech to deflect a little attention from the Bill and announce a little more money. Many of us are worried about what will happen to students and possible deductions in their rights to housing benefit and social security payments. I should have thought that it was high time that the Government made an announcement about that. Last week, the Minister for Social Security said that the announcement would come soon. I understand that the Under-Secretary of State for Education and Science said today that it would be made very shortly. It would be good if the Minister could announce that the Government are backing off from their proposals to stop students drawing those benefits.

Almost every hon. Member has said that the Bill is a shambles. A mad hatter's tea party could have produced better legislation. When he announced the Bill, the right hon. Member for Leeds, North-East (Sir K. Joseph) said that it would rival the Education Act 1944 as a landmark. That is utter rubbish. The Bill is an affront to pupils, parents, teachers and all others who are concerned with education. It is also an affront to good legislation.

I suggest that, instead of trying to rush the Bill through Parliament in the last six or seven weeks of the session, it would be far better to abandon it, go through some effective consultations and come back with a really worthwhile Bill in the next session. The Bill could well be described as a Christmas tree. The trouble is that we are long past twelfth night and it is now looking pretty tatty.

There are some Conservative Members who will remember that the Renton committee of 1975 set out clearly principles for parliamentary legislation. It set out what should be on the face of a Bill, what should be set out in schedules, what should be done by affirmative regulation, what ought to be done by negative regulation, what would be more appropriate for circulars and what should be left to common sense. I admit that they were imposed in another place, but the Government have declaratory sections which are a nightmare to turn into practice and to test in court. The part dealing with appraisal is an insult to the House of Commons — something so important is to be imposed by regulation rather than by primary legislation.

There is also a problem about how governors are to be elected. I believe that parent governors are extremely important, but there is nothing in the Bill about how we will set out an electoral procedure for electing them. I am not suggesting that that should appear in the main Bill, but it should be mentioned in regulations or possibly in the schedule. If the Government want good parent governors, they must establish a professional system for getting them elected. If people are sent good ballot papers and good material, they think that it is important. If we send out tatty bits of paper from school, we will not encourage people to feel that being a school governor is important.

I hoped that the Government would have agreed to the special procedure in Committee so that we could have tried to improve the Bill. We could then have got all those people who still believe that they have strong views to represent to give evidence. It seems, however, that the Government prefer to take notice of the Right wing of the Tory party, and that they want to push the Bill through with great haste. I hope that the House will vote tonight to ensure that we can have that special procedure so that we can get local education authorities, teacher unions, parents, parent-governor associations and others to give evidence. It is important that we get that procedure and it will be a matter for regret if Government Members vote against it.

Sir Geoffrey Finsberg: The last time that we had this special Committee procedure on a major Bill was for the Mental Health Act 1983. I was one of the junior Ministers taking it through, and its great flaw was that it had already been through one of our two Houses. If this special procedure is adopted it would be far more sensible to adopt it before it is started by the House. I put that to the hon. Gentleman as a practical point.

Mr. Bennett: I accept that point. But this Bill should not be stopped simply because it started in the Lords. We ought to try to improve the legislation because, ideally, legislation on this subject ought to last. If it is to last, we should be working for consensus, not just across the Floor of the House but between all the interested groups that will have to work the Act.

For over 10 years we have debated school governors but, sadly, too much of the debate has been about who ought to be the governors rather than what the powers ought to be. We have moved away from the idea of having a co-operative system of governors who are persuaded to work towards consensus and partnership towards the idea of a confrontational system.

It is important to know how many teachers, parents and representatives of different groups will be in the governing bodies because they will have votes and will make decisions on the basis of majority voting. That will be disastrous. We must work for consensus in the governing bodies — not just consensus at each meeting but consensus over a period of time. Imagine a situation at a governors' meeting where corporal punishment was discussed and the vote was six to seven either to have it or not to have it. At the next meeting three months later the members might vote in the opposite direction. Such a system is a recipe for disaster.

The Government must try hard to bring into the Bill the principle that governing bodies have to work on the basis of consensus. We have to try to ensure that people work in partnership in order to produce agreed decisions and not majority vote decisions. One of the ways to move in that direction would be to increase teacher representation on the governing bodies. If we do not do that, two things will happen. First, the governing body will not succeed in carrying the teachers with it in its decisions. That will either increase opportunities for confrontation or encourage governing bodies not to take key decisions. Either of those alternatives would be disastrous. All the evidence that I have gathered from outside bodies is to the effect that they would be happy to see increased teacher representation.

Secondly, the Government should consider carefully whether to impose one national set of conditions on

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governing bodies. By way of example, let us look at community schools. One or two local authorities, and especially those in Cambridgeshire and Leicestershire, have developed community schools extremely well. I am a great enthusiast of community schools. In most areas, such schools establish a governing body that is responsible for the school and for all the activities that go on outside school hours of 9 o'clock to 4 o'clock. In most areas there is one governing body for all the functions.

The Bill insists that overriding governing bodies that carry out all the functions of the community schools will be broken up and that there will be a separate set of governors for the school functions. That is unsatisfactory and I urge the Government to look at it and not to break the governing bodies of community schools into sections. I deeply regret the decision of the Government to sack pupil governors and to remove the representation of ancillary staff in schools with governing bodies.

If the Government believe in encouraging pupils to take part in the democractic process, and want to tell them of the virtues of democracy, why can they not let pupils experience some democracy by allowing them to be on governing bodies at the age of 16? It is regrettable that the Bill takes away the pupils' rights to be governors in secondary schools and further education colleges until 18.

Ministers in the other place trotted out the excuse for this move as the legal problems. I challenge the Minister to come up with a single example where a governing body has been sued, and the fact that it has a pupil governor led to legal difficulties. I doubt whether he could give me one example. It is nonsense to suggest this. If it were true, the legislation would be an opportunity to sort out such problems. I should like to see pupils remain with full voting rights, but if that is the legal problem, I should have thought that we could have got round it. The hon. Member for Ealing, North (Mr. Greenway) and others made this point, and I hope the Government will look at it.

I hope that the Government will also look at ancillary representation on governing bodies. This is important because schools are successful where they are co-operative ventures—a partnership between the people who work there, the parents and the children. One of the best ways to make the ancillaries, who often play a vital part in the functioning of the school, feel that they are part of it is to allow them representation on the governing body. The only excuse that I can find for the Government pushing ancillaries off the governing bodies is that somehow it will spoil the simple principle that has been worked out. I hope that the Government will have another look at this.

The Government should also look carefully at disfranchising parents who work for the local authority. I am not certain from the wording of the Bill whether those who work for the local authority or those who work for the local education authority will be affected. Many of these people are interested in their children's education, and they have as much right to be on the governing body as anybody who does not work for local government. I press the Government to be more flexible.

The Secretary of State said that he was enthusiastic about the co-opting idea and that he would be putting down a further amendment to involve more industralists. I would certainly involve more industrialists in close links with schools. In some parts of my constituency, I would welcome some industry so that there would be industrialists to be involved in the schools. In many areas, finding local industrialists who will serve on primary school bodies will be difficult. I hope that the Secretary of State looks carefully at the wording so that he does not exclude other people who can be enthusiastic governors. Some of the people from industry whom I would like to see being governors might feel that they did not have the time to take such an interest.

I welcome the proposal that the parent governors shall be able to call one meeting a year to report to the parents who have elected them. I hope that most schools will have more than one report-back meeting a year. I understand that in the other place, where the Government were successful in resisting this idea, their response was to say that there is nothing to stop parent governors from having meetings more frequently. I hope that that will be put firmly in the Bill, so that head teachers or local authorities will not say that it costs too much to send out the notice and that it is not convenient for the meeting to be had on the school premises. It is important that parent governors keep in regular contact with the parents, and that there are regular reports.

I should also have liked the Government to look at extending parent power by giving parents more power to refer educational disputes to the ombudsman, and at the development of local education advisory centres. Parents are often in considerable difficulty. They are not sure whether the school is doing the right thing by their child. If they ask advice from the school, they feel that the school will be protective of its system. They would like independent advice, and it is often not clear to parents that they can get such advice from the education offices. I would like to see some development of resources so that parents may obtain independent advice on educational matters.

I accept that the allocation of resources is still one of the major frustrations for governors. The governors may recognise the problems at the school but find that they are not able to command the resources. I do not want to press the Government too far on that point, but there have been fairly damaging reports about school buildings from the HMI, the Building Employers Federation this week and from UCATT earlier. It is frustrating for the governing body to put in requests to the local authority which states it has no resources. It is also frustrating for the local authority to put in requests to the Government and not get resources for school buildings, and I can make the same case about books.

I also think that the House will recognise that if we put our faith in governors we must accept that they will sometimes make mistakes. That is one of the penalties that we will have to pay for involving people in the democratic process. We will sometimes have to pick up the social consequences of governors making wrong decisions.

I would therefore suggest that the training of governors will be especially important. When the Minister replies, I hope that he will give us more information about how the Government intend to ensure that there is initial training and that that training is continued for parent governors whenever they are elected, for co-opted governors wherever they are co-opted, for representatives from the local authorities and for teachers. Although we accept that governors may sometimes make mistakes, we must ensure that training is available.

We must also ensure—I ask the Minister to give this assurance—that there is sufficient money available for local authorities to ensure that governors' meetings are properly minuted, that proper reports will be made and that resources are available so that the work can be done effectively.

In his opening remarks the Secretary of State said that he was in favour of local democracy running education. I welcomed the fact that he was not in favour of the French centralised system. However, when he discussed the Bill and such questions as changing powers between local authorities and central Government in relation to in-service training, he effectively said that he would take powers from local authorities to himself. So much for the Secretary of State's fine words at the start of his speech. It was a pity that he did not want to take the opportunity to redress the balance in favour of local authorities and is actually tending towards a centralised system.

I would urge the Secretary of State to ensure that in-service training is not simply available to teachers. Educational psychologists have made a good case about the lack of training and there should be more training and opportunities to gain more qualifications for educational welfare officers.

The Secretary of State will not be successful if he uses coercion over assessment and appraisal. If he wanted to show his good intentions to the teacher unions he could have announced today that he was dropping the relevant clause from the Bill and that he was placing his faith in negotiations, in the belief that there should be a system of appraisal that was satisfactory to everyone through negotiations rather than coercion. If he wants to coerce people into appraisal, he will not meet with success. He should have taken the opportunity to develop a new one and send a new message to the teachers' unions that he wanted partnership and co-operation rather than coercion.

I regret that the Bill does nothing to make nursery education statutory nor does it deal with the problems of poverty. It does not deal with the educational and maintenance allowances for 16 to 19-year-olds. I am sure that these measures would do a great deal to relieve the problems for parents and raise educational standards.

I greatly regret that the Government are turning the section of the Bill that deals with discipline into a debate for or against corporal punishment. The majority of our good schools—the Minister admitted that this applies in Scotland—have got rid of corporal punishment. The real arguments about school discipline have moved on from corporal punishment. I had hoped that we could spend much more time discussing ways in which we could genuinely improve discipline in schools rather than returning to the old arguments of the benefits or otherwise of flogging. If the Government want to leave the decision to governing bodies, they must consider how the decisions of individual bodies can conform to the rulings of the European Court and the convention.

The Government should understand that they cannot solve the problem of suspension with an appeals procedure. The difficulty with an appeals procedure is that schools have to live with the results of appeals. It would be pointless to have appeals if pupils and parents did not on some occasions win their appeals. If an appeal structure is established and on occasions pupils win their appeals, it will be difficult to continue properly to run a school when youngsters return and say, more or less, "I went to appeal and I won. You were wrong and I was right." That will make the running of a school extremely difficult.

One of the secrets of achieving good discipline in a school is that those who try to impose the discipline must think out the consequences of their actions and stay one step ahead of their pupils. They should always be guessing what will happen when they take certain action. If they do that, they will be able more often than not to out-guess the pupils and maintain good discipline.

If an appeals procedure is introduced, it will not be possible to predict the outcome of appeals. Head teachers will be faced with the choice of taking action and taking a risk by going to appeal. If their appeal fails, discipline in the school will be undermined. I suggest that the Minister considers the penalty of suspension much more in a context in which there are not winners and losers. He should start by asking himself what is best for the pupil and what is best for the school. The Government must do a great deal more on that basis.

Do we need some of the clauses that were inserted in another place? I suggest that the Minister should think carefully about sex education. I am sure that the majority of schools already teach sex education in its context and with an emphasis on the family. There are certain individual teachers who may be perfectly able to teach accurately and effectively the biological details but whom I would not want particularly to be offering moral guidance to pupils. I am sure that the Secretary of State can think of one or two Conservative Members who were Cabinet Ministers not long ago and will appreciate that they might not be the best people to talk about the principles of family life. I suggest that it might be better to keep sex education out of the realms of the Bill and to accept that the majority of schools make extremely good provision already.

I suggest also that the Minister should give careful consideration to political bias. Nothing annoys me more when I visit certain schools than to get the impression from teachers that they are against political parties and politics generally. That is dangerous and anti-democratic. People should be proud of the fact that they have political views. We should not mislead youngsters by giving them the idea that there is something great about being non-political, balancing everything and coming down on neither side. We should be careful about this section of the Bill.

As for the clause dealing with free speech, we should remember that when many of us were students we did not always act in the most sensible and wise way. I am sure that that applies to the Minister as well as others. Earlier in the debate one or two Members were pretty censorous of students and seemed not to accept that, with the considerable pressure that goes with trying to get good academic qualifications, students might sometimes behave in stupid ways that they will regret very soon afterwards. I suggest to the House that we look carefully at this and make something practical and workable for the vice-chancellors and principals of the polytechnics and colleges to administer rather than piously pass some resolutions in the Bill that turn out in practice to be totally unworkable.

I suggest to the Minister that the Bill is a ragbag of measures and it would be far better for the Secretary of State to take it away, give it some careful thought, put it back into some sort of logical sequence, put back in only those things for which he needs to legislate, get the resources to make it possible, and finally create a climate

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in education where there can be a genuine co-operation and partnership between parents, pupils and teachers. In that way, we would get good legislation and, above all raise standards in the schools. That is what I am sure all parents and all Members of the House want.

9.30 pm

The Minister of State, Department of Education and Science (Mr. Chris Patten): This has been an interesting and important debate. It has ranged far beyond the provisions that we first set out in our White Paper "Better Schools". In order to do justice to the debate, I would like to spend as much time as possible responding in detail to the points made by hon. Members. This may make my speech rather less coherent and elegant than I would like it to be, but I think it important that we should answer as many as possible of the points raised.

Perhaps I can first say one or two things very briefly about the purposes of the Bill. The Bill has two main aims. They both concern the quality of education in our schools. First, we want to improve the management of schools by promoting greater democracy in our education system. We want more power for parents and local communities – I say this strongly to my hon. Friend the Member for Manchester, Withington (Mr. Silvester) – in the way our schools are run. The second aim is to promote the professional effectiveness of teachers. My right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) – the real author of this Bill – argued that head teachers are the nearest thing to a magic wand that we have in education. I would extend that to the profession as a whole. Good teachers – and it is fortunate that we are blessed with so many – are vital to improving standards so that our children can be given the quality of education they need and deserve. Without good teachers, as I have said on many occasions, all our other aims for education are so much dust.

We are seeking to accomplish those aims within an education system which is based on the notion of partnership. Our system is different from that which exists in most other countries. Education abroad is invariably a more centralised service. Here it has always been regarded as a shared responsibility. Power has been quite deliberately fragmented between various interests. I see profound virtues in our system. It encourages liveliness and innovations; it could help to preserve liberty; and, above all, it is rooted in our traditions. We know more or less how to make it work. We have been trying to make it work for about 100 years. That does not mean that I believe it is perfect. It is not perfect and we want to improve it.

This Bill is essentially about the nature of this education partnership. We want to see it performing better in the interests of individual pupils in the nation. I want to say three further things about that partnership. First, it is not a partnership between equals. For example, the Government are not in any sense on a par with an individual school or a local authority. But while the partnership cannot work on the basis that all the partners are equal and will always agree, it obviously cannot stand the strain of perpetual disagreement. It will work best if everyone recognises their interdependence and if all of us consult and work towards broad agreement.

Secondly, the respective roles of the partners are not immutable. In particular, there is no absolute imperative to believe that state education has to concentrate as much power as it does at present in the hands of local education authorities. There is no reason to believe that the central role has to be as limited as it has been since 1959. Equally, there is no reason to believe that the way that the teaching profession operates and its relationship with the rest of the education service is fixed for all time. All these roles need occasionally to be reviewed and adjusted as necessary in the light of our aims for education and how well these are being fulfilled.

Thirdly, in working out the correct distribution of functions between the partners, we have to operate from a number of clear principles. The local education authority must have the power necessary to carry out its duty to secure the provision of sufficient and efficient schools for its area. It must be able to manage the schools effectively. The governing body, for its part, should be able to determine in consultation with the head teacher the main policies and lines of development of an individual school. This must mean strengthening its role and ensuring that it cannot be overridden in the exercise of the functions which are given to it. At the same time the professional responsibilities of the head teacher and staff have to be respected; in particular, the head's role should have a firm legal foundation which clarifies his or her responsibilities and preserves his or her authority.

I do not pretend that reconciling these principles is particularly easy. Some of the finer points would be difficult even for a philosopher king. Neither my right hon. Friend the Secretary of State nor I lay claim to that status, at least, not this week. Some of the interrelationships are bound to be complex, and of course anyone can construct cases where absurd positions might be reached. There is doubtless endless scope for doing an A. P. Herbert on the Bill, as the hon. Member for Denton and Reddish (Mr. Bennett) just demonstrated. We are, after all, talking about the relationships which govern the affairs of 28,000 maintained schools across the country and over 100 local education authorities. But a strictly mechanistic approach to the Bill's provisions on functions ignores the vital ingredient of the operation of the partnership—that is, a bit of goodwill and mutual respect—and the Bill only provides the framework for all this. But I repeat that it is our intention to change the way that the partnership actually works on the ground, shifting the focus to individual schools in the context of the communities they serve. I think that that is a change towards which we began to work in the 1980 Act. Indeed, I pay tribute to my right hon. and learned Friend the Member for Warrington, South (Mr. Carlisle) for his part in bringing forward that legislation. We can develop that much further in this Bill.

The hon. Member for Durham, North (Mr. Radice) made rather a curate's egg of a speech. I thought that he was more convincing when he was being generous than when he was trying to be partisan. He was appropriately generous when he referred to the announcement by my right hon. Friend the Secretary of State about additional resources for the GCSE, to which my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) also referred.

I shall briefly remind the House what we are doing. Having already spent £10 million on training for the GCSE, having learnt that the local education authorities are spending about £40 million in this financial year on the

exam's introduction, having committed a further £20 million through education support grant to the GCSE for the next two financial years, my right hon. Friend the Secretary of State announced this afternoon that there would be a further £20 million available for the examination this September. I think that that was welcome to hon. Members on both sides of the House. It represents a considerable investment in the success of the exam, and I hope that we can now all work together to make it the success that it needs and deserves to be.

I was glad that the hon. Members for Durham, North and for Cambridgeshire, North-East (Mr. Freud) confirmed that they believed that enough resources were now being made available for the exam's successful introduction this autumn. The hon. Member for Durham, North went on to claim that the Bill did not do anything to raise standards. But one cannot legislate for higher standards. However, we can give those who work at the local level better arrangements than currently exist to apply their complementary skills to better effect. That is what the Bill seeks to do.

The hon. Member for Durham, North referred at length, along with other hon. Members, to the Taylor committee, especially in relation to teacher governors. I imagine that we shall have several opportunities to discuss this point in Committee, but the need to secure an appropriately balanced governing body of a reasonable size made it inappropriate to increase teacher representation beyond the level required by the 1980 Act. That is, of course, preserved in the Bill. As governing bodies will be generally smaller than at present, the teacher governor's voice will be proportionately stronger in the new situation. Teachers are already intimately involved in schools in their professional capacity.

On this occasion the Opposition are arguing harder for the Taylor formula than they did for the purposes of the Education (No. 2) Bill of 1978 and 1979. However, they will doubtless be able to explain to us in due course why they have changed their minds.

The hon. Member for Durham, North complained that the Bill does little to involve parents generally with the work of their children's schools. I am not sure that that point was supported by the hon. Member for Ipswich (Mr. Weetch) in his interesting speech which commanded a good deal of support on both sides of the House. It was flatly contradicted by my hon. Friends the Members for Dulwich (Mr. Bowden) and for Elmet (Mr. Batiste).

Let us consider, in relation to that point, an individual parent concerned primarily with the progress of his or her child. The Bill gives to such a parent a new guarantee—the right to be told by the child's teacher what the child is to be taught. That point was also referred to by my hon. Friend the Member for Leicester, East (Mr. Bruinvels) in a speech which we all wished had been longer. That parent will also be able to participate in parent governor elections and in the annual parents' meeting at which the governing body will have to give an account of its stewardship.

The hon. Member for Durham, North also complained about the additions to the Bill that were made in another place, but he rather weakened his point when he produced his own shopping list of additions which he would have liked to have made. All of them would have cost a good deal of money. I suggest that he and the House should reflect further on his liberality with additional clauses and public money.

I am quite prepared to let the hon. Member for Denton and Reddish intervene on the point that I am about to make. He seemed to object to the fact that my right hon. Friend the Secretary of State had made it clear that we were proposing to allow a free vote, possibly on Report, on the issue of corporal punishment. My hon. Friend the Member for Rugby and Kenilworth chided the hon. Gentleman on that point and asked him to make clear what the Opposition would be doing about corporal punishment. If the hon. Gentleman wishes to make clear on this occasion whether the Opposition will be having a Whip or a free vote, I shall be happy to let him intervene and make that known to the House.

Mr. Andrew F. Bennett: If the hon. Gentleman had listened to the earlier part of the debate he would have heard the exchange when we made out positions clear.

Mr. Patten: I fancy that that clarity has not rung round the House quite as eloquently as the hon. Gentleman suggests. However, I am sure that there will be further opportunities for the hon. Gentleman to be as clear as mud.

Mr. Greenway: Will my hon. Friend note that the Labour party has said that it will not have a free vote on this matter? However, it would not have made any difference anyway, would it, because the Labour party conference has decided how the party should vote? A free vote would have no meaning even if it intended to have one. Labour party members are mandated; they are not representatives.

Mr. Patten: We are going rather wide of the Bill. I do not care to contemplate Labour party conferences too frequently, but I take my hon. Friend's point.

My hon. Friend the Member for Derbyshire, West (Mr. McLoughlin) made a maiden speech which delighted the House. Those of us who had the privilege and, as it turned out, the pleasure to support him in the West Derbyshire by-election know from our visits there of his 18-carat honesty and good humour, and they were both on display in the House this afternoon.

I mean no disrespect when I say that many of us will miss his distinguished predecessor. I do not wish to be kind about him only because I may need him to be kind to me in the future. I also have to confess that I recruited him to the Conservative research department from the Foreign and Commonwealth Office, and that I regard as an example of upward mobility. We came to the House at the same time. He was a diligent, independent-minded and witty Member. Our loss is London Weekend Television's gain, and his too, I understand. My hon. Friend the Member for Derbyshire, West will be a worthy successor. I cannot put the compliment any higher than that.

My hon. Friend asked whether there would be more training for governing bodies, whose enhanced role he welcomed. The Government fully support my hon. Friend's view that such training is important. Clause 46 requires local education authorities to secure the provision of training for governors. The training envisaged need be neither costly nor elaborate. A number of initiatives have already started, including 10 projects in local education authorities which are to be assisted by education support grants. I know that the National Association of Governors and Managers is especially active in that field, as are other agencies. The development cost of the Open university's highly successful course was met by our Department.

[Mr. Patten]

The hon. Member for Cambridgeshire, North-East made three points with which I shall deal. First, he referred to minors or pupils as governors. That was also referred to by my hon. Friend the Member for Ealing, North (Mr. Greenway) and by the hon. Member for Denton and Reddish. I recognise that we shall have an opportunity in Committee to deal with that issue.

The Government believe, especially in the light of the greater importance to be attached to school governorship, that it would be inappropriate for a minor to be a school or college governor. There would be numerous occasions on which minors, especially pupils of a school, would have to withdraw from governing body meetings because of the nature of the discussion—perhaps a staffing matter or the discipline of a fellow pupil—and the effect would be to create a second-class category of governor. If governing bodies wish to involve senior pupils in their work, they are free to invite them to meetings as observers. I understand that some schools find that school councils provide a useful means of involving pupils.

Secondly, the hon. Member for Cambridgeshire, North-East asked what would happen to pupil governors presently on school governing bodies. Once the provisions of the Bill come into force, the governing bodies of county, controlled and maintained special schools will be reconstituted in accordance with the provisions of clause 3, and all existing governors of whatever category will cease to hold office.

Thirdly, the hon. Gentleman asked about the DES's annual report. The point was made by one or two other hon. Members. I did not realise that we had so many avid readers. The annual report reviews the Department's activities during the preceding year, most of which are reported to Parliament or made public in other ways, when they are current. The degree of interest shown in the retrospective report does not justify the commitment of time and cost made by the Department in its preparation. Over the past five years, sales have dropped from about 4,000 to 1,000 copies, which is rather less than the deputy chairman of the Conservative party manages. The Secretary of State will continue to keep Parliament informed of the Department's activities at appropriate times, but will not in future, subject to parliamentary approval, repeat the information in an annual report after that for 1985.

The hon. Member for Cambridgeshire, North-East, the hon. Member for Ipswich and other hon. Gentlemen raised the question of the establishment of an independent tribunal to deal with exclusion cases. They were especially concerned about the position of head teachers. My hon. Friend the Member for Salisbury (Mr. Key), in his knowledgeable speech, noted how vital head teachers are and what demands have been placed on them, especially during the past difficult year. As my hon. Friend said in response to an intervention, the admission appeal committees actively demonstrate real independence. In the light of some of the remarks made by my hon. Friends, we shall consider the matter further.

I should have thought that our amended proposals were likely to carry the support of the head teachers, which is crucial, but we are reasonably open-minded on the issue. We must balance the statutory responsibilities of local education authorities with the importance of giving heads and governing bodies the support which they deserve. I say to my hon. Friend the Member for Withington that that is the balance we must attempt to strike.

My hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) told us in a speech that greatly interested the House — not least, his comments as a professional in personnel matters on appraisal — an appalling story about attempts to disrupt and to prevent his constituency advice bureau from being held. He asked whether I would condemn that attack, and I do so unreservedly. It was a shameful episode. I am glad that the hon. Member for Denton and Reddish expressed exactly that same condemnation.

The hon. Member for Leeds, Central (Mr. Fatchett) suggested that we were giving the final say over the curriculum to governing bodies. That is not true, as was pointed out by my hon. Friend the Member for Withington. We are talking about distributing responsibility for the curriculum, in a way that we believe is sensible, between local education authorities, governing bodies, heads and staff. I freely confess that it is not a neat solution. I admit that we could have had a nice, tidy, Prussian solution, but I do not think that that would have accorded with our traditions in this country.

The hon. Member for Sheffield, Hillsborough (Mr. Flannery) recycled his usual speech. He is, at least in this respect, a friend to the environmentalists. He told us that he respected my hon. Friend the Member for Salisbury —my hon. Friend has the sympathy of the House.

My hon. Friend the Member for Cambridge (Mr. Rhodes James), in a thoughtful speech, made two points in particular that I should like to mention. He referred to freedom of speech in universities and institutions of higher education. My hon. Friend the Member for Luton, North (Mr. Carlisle) made a speech on that issue as well. He has some first-hand experience of it. I am sure that the House will join me in reaffirming that freedom of speech is vital to a democratic society. The Government accept — my right hon. Friend the Secretary of State made this point clear in his speech—that it is necessary to legislate on this subject. We recognise, however, the legitimate concerns of the institutions involved. My right hon. Friend has already had a meeting with representatives of the heads of those institutions, and we intend to continue consultations with them with a view to introducing an amendment to the Bill at a later stage.

My hon. Friend the Member for Cambridge referred also to the European Community's equal treatment directive. He noted the obligation on the Government to fulfil their part under that directive. However—I speak with a good deal of sympathy on this subject, because I am married to a graduate of St. Hilda's— Ministers have listened to the arguments put forward by the principals of the colleges concerned.

We believe that the case for preserving the special opportunities for women to achieve senior academic positions offered by the remaining single-sex colleges deserves much more discussion. The Government have therefore cancelled earlier plans to introduce a new clause in the Sex Discrimination Bill dealing with sex discrimination appointments to posts in universities and colleges in order to allow time for consultations with the institutions most closely affected and for further representations to be made to the European Commission. I hope that my hon. Friend the Member for Cambridge will be reasonably satisfied with that.

My hon. Friends the Members for Dulwich and for Norwich, South (Mr. Powley) spoke of the powers of school governing bodies and mentioned in particular finance, where the Bill's provisions move schools to the beginning of a potentially rewarding process of delegation from the local education authority.

Because we are mindful of the strong advice of the Audit Commission about the need for these changes to be made with careful preparation and at a deliberate speed, the Bill does not force the pace of progress. However, I very much hope that local education authorities and schools will take full advantage of the flexibility allowed here, as some have done already. Generally, the allocation of functions will allow the governing body to become the focus for the identity and sense of purpose of the school. That was always intended under the Education Act 1944, and it is invariably the mark of a successful school.

My hon. Friend the Member for Withington referred to clauses 43 and 44, which contain provisions to enable controlled schools to achieve aided status. He asked especially about the compensation that might be payable by the governing body to the local education authority for capital expenditure on school premises. The amount of compensation that will arise is likely to vary from case to case. In some cases the local education authority might not have invested any capital expenditure, so no compensation would be payable. However, in other cases the LEA might have provided the whole premises for a new controlled school or in others might have provided substantial enlargements. It seems only right that, where a substantial asset passes to the governing body with no recompense to the LEA if the premises are subsequently sold, the LEA should receieve some compensation.

The hon. Member for Newham, South (Mr. Spearing) referred to the central advisory councils. The Government have already stated their intention to discontinue the advisory councils in response to a report of the Select Committee on Education, Science and Arts in 1982. The advisory councils have not reported for some time and successive Governments have relied upon advice from committees or individuals with specific remits, many of whom have given distinguished advice — for example, Lady Warnock. That approach has worked well and the Government consider that there is no longer a need for standing central advisory councils of the type provided for in the Education Act 1944. We also benefit from the reports of the Education, Science and Arts Committee.

A number of hon. Members, including my hon. Friend the Member for Bristol, East (Mr. Sayeed), referred to appraisal. Much alarmist nonsense has been put about on the Government's intentions regarding appraisal. The hon. Member for Portsmouth, South (Mr. Hancock) also referred to appraisal. We want a sensitively worked out scheme carefully introduced, embodying adequate safeguards for the individual and carefully designed to help all teachers realise their full professional potential by providing them with better job satisfaction, with more appropriate in-service training and with better planned career development.

The Government see appraisal as serving a variety of purposes. The findings of the appraisal system should be taken into account when schools and local education authorities come to decide such matters as planning and in-service training provision. They should be taken into account when selecting participants for such training and in developing the careers of individual teachers. The overall purpose is to secure better decisions by the local education authorities and school management, feeding through to better teacher performance and better pupil achievement. The whole objective is to help improve teaching effectiveness.

Some say that the appraisal provisions in the Bill provide an unhelpful backcloth to the talks now going on at the Advisory, Conciliation and Arbitration Service where appraisal and its link with in-service training is on the agenda. That is, in my judgment, completely to ignore recent history and the painfully slow progress we have been able to make on this. I hope that agreement will be reached voluntarily on a national framework for appraisal. It may be desirable and could prove necessary for that national framework to be supported or provided by statutory regulations. The Bill provides the necessary enabling power for such regulations. Appraisal is so important as a means of improving teaching quality that we see it as essential to put this enabling power on the statute book now. I confirm to the hon. Member for Ipswich that it is not our intention to link the results of appraisal directly to pay.

A great many points have been raised during the debate, and time has not permitted me to deal with all of them. However, I hope that I have touched on the main ones. I can assure the House that my right hon. Friend the Secretary of State and I will carefully study all that has been said, and I am sure that we will return to it in Committee. We look forward to that in keen anticipation of a well-spent July.

I believe that the provisions of the Bill on school government and teaching quality have not, before today, always received the attention they deserve. I think that the Bill has suffered the same fate. However, there has been a great deal of discussion on what is not in the Bill. I shall follow that trend only to the point of saying that the Bill is not, as some people have suggested, a distraction from the real issues of what my right hon. Friend and I are well aware is the long education agenda for the 1980s.

The major and urgent task of raising standards requires the involvement and collaboration of pupils, parents, teachers, governing bodies, the wider community served by individual schools, local education authorities, and central Government. The Bill provides the new and urgently needed means of securing that vital involvement and partnership through more vigorous governing bodies and a yet more professional teaching force.

Forty-two years ago we had the great Butler Education Act. By coincidence, 42 years before that there was the Balfour Act. I do not pretend that the Bill is as historically important as its predecessors, but it is not an unworthy successor, building on and strengthening the partnership that they firmly established. I commend it confidently to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 296, Noes 177.

Division No. 217] **[10 pm**

AYES

Adley, Robert	Atkins, Robert *(South Ribble)*
Alison, Rt Hon Michael	Baker, Rt Hon K. *(Mole Vall'y)*
Alton, David	Baker, Nicholas *(Dorset N)*
Amery, Rt Hon Julian	Baldry, Tony
Amess, David	Banks, Robert *(Harrogate)*
Ancram, Michael	Batiste, Spencer
Ashdown, Paddy	Beith, A. J.

Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Rt Hon M. *(W'ton S)*
Cartwright, John
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Conway, Derek
Cope, John
Corrie, John
Cranborne, Viscount
Critchley, Julian
Currie, Mrs Edwina
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Emery, Sir Peter
Fairbairn, Nicholas
Farr, Sir John
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hancock, Michael
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howells, Geraint
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Kirkwood, Archy
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Ottaway, Richard
Owen, Rt Hon Dr David
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Penhaligon, David
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Ross, Stephen *(Isle of Wight)*
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Shields, Mrs Elizabeth
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Stradling Thomas, Sir John
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wallace, James
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Tony Durant and
Mr. Francis Maude.

NOES

Abse, Leo
Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian

Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lamond, James
Leadbitter, Ted
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Ryder, Richard
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Noes:
Mr. John McWilliam and
Mr. Chris Smith.

Question accordingly agreed to.

Bill read a Second time.

Motion made, and Question put, That the Bill be committed to a Special Standing Committee. — *[Mr. Fisher.]*

The House divided: Ayes 180, Noes 266.

Division No. 218] **[10.16 pm**

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harrison, Rt Hon Walter
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Oakes, Rt Hon Gordon
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*

Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Torney, Tom
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Ayes:
Mr. John McWilliam and
Mr. Chris Smith.

NOES

Adley, Robert
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Churchill, W. S.
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Conway, Derek
Cope, John
Corrie, John
Cranborne, Viscount
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Emery, Sir Peter
Fairbairn, Nicholas
Farr, Sir John
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lord, Michael
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Stradling Thomas, Sir John
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. Gerald Malone.

Question accordingly negatived.

Bill committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills)

EDUCATION BILL *[LORDS] [MONEY]*

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Education Bill *[Lords]*, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenses incurred by the Secretary of State under the Act; and

(b) any increase attributable to the Act in the sums payable out of such money under any other Act.

—[Mr. Durant.]

Appropriation (Northern Ireland)

10.28 pm

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): I beg to move,

That the draft Appropriation (No. 2) (Northern Ireland) Order 1986, which was laid before this House on 7th May, be approved.

The order is being made under paragraph 1 of schedule 1 to the Northern Ireland Act 1974.

The order provides the balance of the money necessary this financial year for the services provided by Northern Ireland departments and certain other public bodies. On 11 March, the House approved a total of £1,365 million as "a sum on account". Today, I seek the balance of £1,840 million, making up a total estimate for 1986-87 of £3,205 million. The Estimates volume which gives full details of projected expenditure is available from the Vote Office.

The draft order also appropriates an additional £104,154·01 to cover excess expenditure in the 1984-85 financial year by the Department of Economic Development. This "excess vote" as it is termed, has been examined by the Committee of Public Accounts which I am pleased to report, has raised no objection to it being voted. Details of the excess expenditure is set out in the "Statement of Excess" pamphlet which has also been placed in the Vote Office.

Despite a few encouraging signs on the economic front, unemployment in the Province remains tragically high at 21·7 per cent. These estimates reflect further increases in public expenditure as part of the Government's commitment to the creation of viable jobs, and to support those who are unemployed.

We continue to spend more Government money per head of the population in Northern Ireland than anywhere else in the United Kingdom. The figures for 1984-85—the last full year for which figures are available—show expenditure in Northern Ireland to be £2,776 per head compared with £2,210 in Scotland, £1,927 in Wales and £1,761 in England.

Government expenditure, however, is not in itself the answer to the problem. Rather, our objective is to create the environment in which private enterprise and initiative can thrive in order to encourage the creation of self-sustaining, long-term employment.

In this respect, there have been encouraging results from the small business development unit, LEDU, which continues to foster private sector activity in a highly cost-effective manner. Since its inception in 1971, LEDU has created 26,000 jobs, including almost 4,000 in the last financial year. These estimates provide £17 million for LEDU.

The Estimates now before the House provide £75 million for Northern Ireland agriculture; 1985 was a difficult year for the farming community. This underlines the importance of retaining Northern Ireland's programmes of special aids; for example, the milk consumer subsidy, aid to pig and poultry processing plants and schemes for grassland improvement and beef development.

The extent of our commitment to supporting industry in Northern Ireland is amply demonstrated by the fact that these Estimates provide a total of £190 million for this purpose. In addition to the £17 million for LEDU to which I referred, there is £83 million for industrial development loans and grants aimed at helping industry to advance and diversify, to develop new products and processes and to improve generally its competitiveness.

About £25·2 million is being made available to provide effective support for industry, including the development and improvement of the Province's industrial infrastructure of sites and factories. An important new development is that we plan to open this year the purpose-built technology park at Antrim at a cost of £6·3 million for the initial development phase.

Hon. Members will also note the provision of £37 million for Belfast shipbuilders Harland and Wolff. None of this provision is for the AOR order which the company recently won from the Ministry of Defence on a wholly unsubsidised basis. The provision instead reflects not only the seemingly unending difficulties of merchant shipbuilding worldwide but also Government's recognition of the importance of the company to the Province's economy as the second largest manufacturing employer.

I take this opportunity to welcome warmly the company's success in winning the Ministry of Defence contract, involving the design and building of the first-of-class auxiliary oiler replenishment vessel. Harland and Wolff won the competition on commercial and technical merit and the company's chairman, Mr. John Parker, and his team are to be commended for their skill in putting together the successful consortium bid.

The company's move into unsubsidised naval work represents a real challenge to all who work at the yard. It is now up to the work force to justify the confidence that the Government have placed in them.

Just under £96 million is sought in respect of the Northern Ireland labour market. Of this sum, £31 million is for the youth training programme and £26·7 million for training centres and other training and retraining schemes. The other major item in this area is some £34·5 million on employment services and measures, including action for community employment and community projects and the job creation activities of Enterprise Ulster.

Further evidence of the Government's determination to tackle unemployment in the Province is provided by some new measures designed to help the long-term unemployed. These will be introduced from 1 July 1986. Every unemployed person will be invited to attend an in-depth counselling interview at the local job market. One of the options on offer will be a place on a restart course aimed at those who may have lost the will, motivation or indeed the capacity to seek work. The aim will be to help the long-term unemployed assess their potential and aptitudes, learn more about the opportunities open to them, review their basic working skills and confidence, and help them with the techniques fo finding and applying for a job.

I recently paid two visits to the Ann street job club at the beginning and then at the end of a course. I was especially impressed by the morale of the people and by their belief that jobs could still be found. The methods of tackling planning for these jobs had improved by the time I visited the club at the end of the course. These people were much improved in comparison with the almost broken people whom I saw on my first visit. I hope that everyone invited for interview will make the most of these new opportunities.

Mr. Richard Holt (Langbaurgh): Before my hon. Friend leaves the question of employment measures, will

he tell us whether the Government have any proposals to remove the employment transfer scheme from Northern Ireland as they inntend—as was recently announced in a press release—to remove it from England and Wales?

Dr. Boyson: As my hon. Friend knows, in Northern Ireland we come into line with the arrangements in the rest of the United Kingdom over a period of months. I have taken note of my hon. Friend's comments. I know that the matter is under consideration and I shall reply to him shortly about the date.

Provision is also made for electricity tariff support in line with Government policy to peg tariffs in Northern Ireland to the level of the highest charges in England and Wales. The forecast of £45 million in the estimates was calculated prior to the recent substantial fall in oil prices. Following the recent announcement of proposals for electricity tariff reductions in England and Wales, the Northern Ireland Electricity Service will make similar reductions in line with the reductions being made in the rest of the United Kingdom.

I come to class 5, which covers housing. In recent years there have been increases in public expenditure on housing. These increases have enabled much improvement to be made in the supply and condition of housing in Northern Ireland. The increases in housing expenditure have also involved deliberate decisions to divert public expenditure resources away from other programmes in Northern Ireland. A combination of factors has, however, affected the overall level of resources that will be available to the housing programme this financial year. These factors include declining capital receipts and the pressing requirements of other Northern Ireland expenditure programmes.

We must be aware that there is a set Northern Ireland block and that if in any year we have to increase expenditure, as we have had to this year on industrial development, the money must obviously come from some other Vote in the Northern Ireland block. Nevertheless, the important point is that per capita expenditure on housing in Northern Ireland is nearly four times higher than it is in England. No one can say that we are trying to lower the standard of housing in Northern Ireland or that we are not continuing to bring it up to the same standard as that in the rest of the United Kingdom.

The total amount of money being allocated for education, libraries and arts in £680 million, and £14 million of this is for arrears of the 1985-86 teachers' pay award, which obviously has to be paid. It was not possible to make the payment in the past financial year because of delay in the settlement date. The overall total being allocated to education libraries and arts reflects the priority which the Government continue to give to the needs of schools in terms both of teaching and of other resources in order to maintain classroom standards. The recurrent grants to education and library boards, out of which are met the running costs of controlled and maintained schools, represent an increase of over 4 per cent. compared to 1985-86, against an inflation rate of 3 per cent. and a continuing fall in pupil population.

Capital expenditure on education, libraries, recreation and the arts is in excess of £40 million, compared to £36 million last year. There we have an increase of about 11 per cent. The greater proportion of this increase in expenditure will be required to meet the continuing costs of the substantial programme of major works that have been initiated in the past two years, principally in the schools sector. Although there will be no major new schemes starting in 1986-87, an additional £2 million has been allocated to urgent minor works in schools in 1986-87, including work of a health and safety nature. I always found in my schools' experience that one of the best ways of raising the morale of teachers was to carry out minor works so that something could be done for almost any school in the area—a coat of paint here and an improvement there—and it was felt that something was being done. That is why we have allocated £2 million this year for urgent minor works. I know that some hon. Members would like more to be spent, but credit must be given to the priority that we have given to moving £2 million for the work that I have described. I expect that in 1987-88 it should again be possible to fund some of the most urgent major schemes, with priority continuing to be given to the schools' sector. A large part of the £40 million of capital expenditure this year will be directed to completing schemes that were started in previous years.

For health and personal social services, a net total of £673 million is sought to maintain and further develop existing services. The largest single element of this is the revenue expenditure of the health and social services boards, estimated at £550 million. This represents an increase of 6 per cent. in cash terms over the past year, and it will now be supplemented by an additional contribution towards the review body pay awards in the Health Service. It will include more money for paediatric cardiology services, renal services and cervical screening services. Money will also be earmarked for major campaigns aimed at reducing the incidence of coronary heart disease and preventing the spread of AIDS. A substantial programme of major and minor capital projects, costing in total over £24 million, will be undertaken in 1986-87.

A total of £794 million is sought for social security expenditure. During the year preparations will be made for the reforms of social security, to be implemented partly from April 1987, and mainly from April 1988, in parity with the reforms in Great Britain.

Knowing that many hon. Members wish to participate in the debate, and knowing that it is limited to one and a half hours, I have commented on the major issues and provided straightforward figures in the interests of brevity. I have not dealt with the technicalities of the Estimates, but I trust that I have touched on the main elements of the Appropriation debate. If I have missed anything, I have no doubt that right hon. and hon. Members will be quick to ask questions. I shall do my best to deal with these and others matters that are raised in my reply, with your permission, Mr. Deputy Speaker, at the end of the debate.

10.44 pm

Mr. Peter Archer (Warley, West): The House will be grateful to the Minister for the information that he has given us and for his analysis. If our gratitude ends there, he may well understand why.

It is an ancient constitutional principle that redress of grievances should precede supply. That has traditionally provided a lever by which the House has maintained a measure of control over the Executive. Before providing the Executive with resources to implement its policies, the House has scrutinised the purposes to which it is proposed to apply those resources. It is that exercise in which we are participating tonight.

[Mr. Peter Archer]

Libraries have been written about that principle. May I begin with a word about three of its implications. First, it requires machinery for making financial control itself effective. The right hon. Member for South Down (Mr. Powell), with his customary courtesy, has let me know that he is proposing tonight to draw the attention of the House to the way in which that is now done in relation to Northern Ireland. He presented a very clear analysis on that question when the House considered the draft Appropriation (Northern Ireland) Order on 11 March this year. I hope that I shall be forgiven if I do not attempt to anticipate his arguments or to embark upon that theme tonight.

It is possible, if we are to believe all that we read in the press, that in the relatively near future the House will have an opportunity of considering the whole way in which Northern Ireland is administered. It may be possible to consider the right hon. Gentleman's proposals in that wider context. We will listen with an open mind to the right hon. Gentleman's argument, and we on these Benches will judge it, not on its symbolic significance, nor according to any wedge of which it may be the thin end, but on its merits in achieving more effective financial control in the House. If that appears a naive approach, perhaps that is because we are all so accustomed to thinking about the thin ends of wedges that we have forgotten how to judge anything on its merits.

The second implication of the principle that redress of grievances precedes supply is that the House really should consider dispassionately the grievances brought to its attention by hon. Members, and that each Member should bring his independent judgment to bear. Every child knows that that is not really how it is. The Government can usually nullify the House's control of the Executive by sending out marauding bands of Whips or bringing on business when it is most likely to escape attention. The Government can render our procedures less effective by arranging debates in the late hours when only the most committed of hon. Members are in the Chamber. Once again tonight the Government's business managers have demonstrated their contempt for Northern Ireland business.

It is the third implication of the principle that I am chiefly concerned to address the House about tonight. The House may refuse supply for purposes of which it disapproves. There is no corresponding procedure for insisting upon expenditure when the Government refuse to make provision where there is a clear and crying need. All that we can do is to deplore the uses to which the resources are being devoted when every whisper of common sense, every consideration of decency, cries out for them to be spent on solutions for the tragic problems that beset so many families.

It follows that, where the grievance which we are discussing is a failure to make adequate provision, we would be defeating our own purpose if we were to divide the House with a view to denying the Government even the inadequate resources that they seek. We can only voice our disappointment that the Government asks so little of us where the need is so great.

I turn first to class II, item 5, the employment services, and ask the hon. Gentleman whether all ACE funding is to be found among the sums appropriated under that item. I appreciate, of course, that the Government are providing only 40 per cent. of the funding, the remaining 60 per cent. as I understand it, being provided by the EEC. We begin with the premise, therefore, that we get over double value for every pound that we can prevail on the Government to spend.

During Question Time last week my hon. Friend the Member for Battersea (Mr. Dubs) asked the Minister about the criteria used by his Department in selecting schemes for ACE funding. My hon. Friend mentioned certain community groups which had been notified by letter that their funding would be discontinued. The letter referred to an answer given in the House by the then Secretary of State to the hon. Member for Solihull (Mr. Taylor) on 27 June last year, to the effect that the Government believe that funding for some community associations might be used to further the aims of paramilitary organisations. My hon. Friend accepted that in principle, but expressed anxiety that to make that allegation about those specific groups may be risking a serious injustice in addition to depriving already deprived communities of a vital life line.

I had already written to the right hon. Gentleman the Secretary of State asking him to supply those organisations with details of the case against them. He replied that the details could not be given for security reasons. I appreciate that certain details cannot be given, for that reason, but I am sure he understands that that leaves them to refute, if they can, allegations that they have been guilty of unspecified actions, which helped unspecified organisations in unspecified ways. So they are left with the difficulty of how to make any defence or refutation.

The Minister may recollect that at Question Time last week I intervened to say that some of us had looked closely at those community groups. If there was evidence that any of those groups were involved with criminal activities we would have no part in any representations, but we have found no such evidence. In the case of Dove House in Derry, our conclusion was endorsed by Bishop Cahal Daly who had written to say that he had already written to a Minister at the Department. He said:

> "I also stated clearly that, in my view, Dove House is not and was not promoting any particular political grouping—that it is simply offering a bona fide community service.
>
> "I stated my belief that Dove House is providing a worthwhile service to the community in which it is located and is engaging a number of people in useful and constructive work."

The hon. Gentleman was kind enough to say that he and his right hon. Friend the Secretary of State were prepared to review any of the cases that we discussed. Now that he has had time to reflect, I ask him whether he will receive a delegation to make representations on behalf of those groups. Alternatively, will he consider adopting the suggestion made by the hon. Member for Foyle (Mr. Hume) and appoint an independent investigator to look at the evidence?

The topic raises a wider question. It is true that a number of political parties in Northern Ireland—some of them perfectly respectable parties whose representatives in the House are well known to us—provide advisory services in their local communities. That is a highly commendable activity when people's lives are beset by problems which are so numerous, so varied and so complex. Harassed and bewildered individuals are in sore need of advice through the labyrinth of provisions which govern their incomes, their obligations and their freedom,

and which sometimes seem almost deliberately designed to ensnare them. The advisory services are provided by political parties and community groups because the Government have failed to make provision for them. There is a vacuum which someone must fill.

We are grateful for the funding provided by the Government for the activities of the Belfast law centre, but that is the only law centre in Northern Ireland. It cannot begin to meet the need for advice. There are 29 citizens advice bureaux, handling about 120,000 inquiries per year. Despite the devotion of their workers — some of them giving their time voluntarily — there are whole areas where people have no access to advice. If the Government provided a proper advisory network there would be no need for hit-and-run, piecemeal provisions.

I turn to class IX, item 1. I have raised with the Minister questions about resources for health and social services so often in correspondence and on the Floor of the House that it has become like a game of chess, where the hon. Gentleman and I know each other's mind for the first 20 moves. I ask him whether he has any proposals to settle the damaging strike of transport drivers at the Royal Victoria hospital. For the past 18 months the Eastern hospital board has suffered intolerable budgetary pressure at the Government's hands, which in turn it has passed on to the hospitals, and which they in turn have passed on to their patients and employees. In particular, the Royal Victoria hospital has suffered in almost every aspect of its services. The staff have more than fulfilled their obligations and have responded beyond the call of duty, but I tell the Minister, in case he has not discovered this fact already, that the whole staff — medical, nursing and ancillary staff — are in despair and that they cannot take much more.

The Eastern hospital board is faced with having to cut a further £5 million from its budget. It decided that £2 million of that should be taken from the supportive services. As I understand it, the intention is to protect the clinical services. That is, of course, commendable; but we are already seeing that the clinical services cannot be provided without the foundation of the supportive services. So the board has imposed cuts on, for example, the cleaning services. It is possible to argue that that is not where the burden of the cut should have fallen. Some one might point out, with reference to the enlightening figures provided by Dr. Robert Rowthorne, that the unit costs for cleaning the main part of the hospital, excluding the specialist units, are already only 51 per cent. of the average cleaning costs for teaching hospitals and only 44 per cent. of the average costs for hospitals generally. The cleaning services were not carrying a great deal of fat to begin with.

As for the administrative budget, the unit costs for administration at the Royal Victoria hospital, as measured by the weighted patient method, are four times higher than the costs in hospitals generally in Northern Ireland. It would be possible for some one to argue that the cuts would have been borne better by the administrative budget than by the cleaning budget or the transport drivers, but the board offered no consultation about how the cuts were to be apportioned.

The board passed on to the transport drivers the treatment that it had itself received from the Government. It took a global sum, without an explanation of how it was reached, and without any discussion, and told them that that was to be cut from the budget for transport drivers. The board then offered to negotiate on how that sum should be apportioned among transport drivers, but not on the size of the sum itself. When the drivers' representatives replied that that was not what they understood by consultation, the board said, in effect, that that was the measure of consultation that it was offering.

The result has been industrial action. No one wants it. No one will benefit. The losers will be the patients and those who depend on the hospital for their services, but it was an inevitable consequence of the threat to their jobs and income. The employees and their union mounted a picket consisting, at the most, of about 24 people. The authorities replied by bringing in the police and the troops. A few days ago, when the drivers were joined by some women workers from the catering staff and other hospital services, they were confronted by a convoy of 17 Land Rovers carrying personnel equipped with machine guns.

Now the dispute is escalating further. Today, I am told, three or four workers in the sterile supplies section have been suspended because of a dispute arising from the coverage expected of them during the strike by the transport drivers. It seems that this has led to industrial action by all the workers in the sterile supplies section. It seems that a further dispute has arisen because the laundry workers have been sent home without pay.

Unless some one at senior level intervenes in the name of common sense, what began as an exercise in meanness and penny pinching will escalate into something that will seriously endanger the hospital services and may leave a further legacy of bitterness and frustration. Just for once, will the Minister not plead that this is not the responsibility of Government? What crisis has to be on us before it becomes the Government's business? It was the Government's policy that led to the problem in the first place.

Class X deals with the sums payable by the Department of Health and Social Services. I wonder whether the Minister can tell us whether the sums mentioned in the order are based on the assumption that the provisions of the Social Security Bill are to be extended to Northern Ireland. It would be wrong to assume that the Government could do that without major opposition in the House and major protest in Northern Ireland. My right hon. and hon. Friends have already exposed the proposals in that Bill for what they really are, and I will not seek to repeat what they have said, but there are some circumstances peculiar to Northern Ireland that would magnify the mischief.

I hope that the Minister has seen the analysis by the Consumer Council for Northern Ireland. For example, if it is proposed to calculate pensions on a lifetime's earnings rather than on the best 20 years that will cause particular hardship to a community where long-term unemployment is more widespread even than in Great Britain — where 36·6 per cent. of the unemployed have been out of work for more than two years, against a United Kingdom average of 26·4 per cent. In an area where three times as many families are receiving family income supplement as in the United Kingdom as a whole, the abolition of family income supplement would have a devastating effect.

The replacement of single payments, and urgent needs payments by loans will mean an intolerable hardship in a region which, with the possible exception of Glasgow, receives the highest number of single payments in the United Kingdom. The Consumer Council and the Equal Opportunities Commission have pointed out that the proposed abolition of maternity grant and maternity allowance and widow's benefit would have a greater effect

[Mr. Peter Archer]

on women in Northern Ireland, where a greater proportion of women are dependent on welfare benefits, than on women elsewhere.

Even if the Government can steamroller their proposals through the House in relation to the remainder of the United Kingdom, they will have to debate them all again in order to extend them to Northern Ireland. I ask the Minister to warn his colleagues before they paint themselves into yet another corner.

May I ask one final question. In the schedule to the order, under class XI, item 1, I read that over £2 million is required for expenditure on the Northern Ireland Assembly. There are those who believe that the need for expenditure on the Assembly will become less apparent in the near future. If that were to happen, what will become of the £2 million that we are asked to authorise tonight? Will it be returned to the Chancellor of the Exchequer to assist him in reducing income tax on higher incomes, or will some of it be made available to those ACE community schemes where people are giving their time and talents to help make life tolerable in deprived communities? Will some of it be devoted to resolving the escalating problems of the Eastern hospital board and its employees, who feel that their service over the years is unappreciated? Will some of it find its way to provide reasonable retirement pensions to those who have already suffered the deprivations of long-term unemployment, and widow's allowances for those who have already suffered bereavement?

The Government can have their Appropriation order tonight. Our complaint is that we cannot provide more. Will the Minister at least spare the House a commercial on the ample provision which the Government are already pouring into Northern Ireland? The evidence is there on the ground. If he will come with me to Dove House, or to the Royal Victoria hospital, or to the Divis flats, or to some of the resource centres in east Belfast——

Mr. Seamus Mallon (Newry and Armagh): Or Armagh.

Mr. Archer: Indeed. If he came with me to those places, he could see the evidence with his own eyes.

11.4 pm

Mr. J. Enoch Powell (South Down): This is not the first Appropriation (Northern Ireland) Order that the Minister of State has introduced. I dare say that, as he approached the debate, he wondered what new oratorical splendours, what new ingenuities of argument, might be sought, to present again the case which has been presented from this Bench on previous debates on the order. I have to say, to his relief and, I hope, to the relief of the House, that that is not my intention.

The essence of the problem has often been pointed out. There exists, for reasons which are historical, a Consolidated Fund of Northern Ireland into which moneys are poured out of the Consolidated Fund of the United Kingdom, and out of which they issue again under the authority which this Order in Council confers. Hitherto, we have brought our criticism to bear upon the continued existence of that obsolete and, in practice, ineffective Consolidated Fund.

I recognise the courtesy which the Secretary of State has done, which has not always been observed on previous debates on appropriation orders, of attending the debate. Tonight I want to put before him a simpler proposition, one which, bearing very much in mind some remarks which fell from the right hon. and learned Member for Warley, West (Mr. Archer), prejudices no separate and larger issues at all.

The proposition is simply this. All the advice that I have been able to obtain from sources which are available to hon. Members shows that it would be competent for the Government to include in the Consolidated Fund and appropriation Bills a provision for the payment out of the Northern Ireland Consolidated Fund of the sums which are set out in the schedules to this Order in Council, and that consequently the passage of the Consolidated Fund and appropriation Bills would secure the effect which these three annual orders separately secure at present for Northern Ireland.

It is not a proposal which has any widely ranging constitutional implications. It applies with equal effect in the duration of the interim period, which it may be the Secretary of State's intention to ask the House to renew for a further period before the summer recess. It does not involve what I believe would require legislation — the abolition of the Northern Ireland Consolidated Fund itself. What it does is something which hon. Members from this Bench have often claimed is their wish. It puts Northern Ireland and its repesentatives in the House in the same position exactly as the representatives of other parts of the United Kingdom. It certainly would relieve the House of three debates which are only technically necessary and for which I believe the technical necessity can be removed by the simple constitutional device of applying to Northern Ireland the Consolidated Fund and appropriation Bills which have to be passed in any case.

But it might seem curious and paradoxical that a representative of a Northern Ireland constituency should wish to reduce the amount of parliamentary time which is available for considering the affairs of that Province. I address myself to the issue of grievance before supply which the right hon. and learned Member for Warley, West planted firmly on the Dispatch Box when he spoke.

The paradox is apparent. It is not real. It would be absurd to claim, for example, this evening, that in the hour and a half which we have available, there is any real opportunity for a serious debate on the detailed policies which are involved in the whole sweep of public expenditure in Northern Ireland, which, in effect, is covered by this appropriation order. The very notion that in an hour and a half we could raise and receive adequate replies to a tiny fraction of the questions of policy which are involved is an insult which no Minister would seek to offer the House.

It is true that in previous years, by arrangement with the Government business managers, there has been the custom that in the case of the main appropriation orders — that is, the March and June appropriation orders — much longer periods of parliamentary time would be made available. Indeed, I think there was a run of a number of years in which the average time available for the debate on the Appropriation Order (Northern Ireland) was four or five hours.

Strenuous endeavours were made, and with good intention from both sides of the House, both from the Government Bench and from hon. Members representing Northern Ireland, so to organise those debates that they provided a genuine method whereby in proper debates issues affecting constituencies in Northern Ireland could

be raised and answered. Those who have lived through that experience will confirm what I have to say, that we never succeeded in using the debate upon the Appropriation Order in any organised or systematic way in order to provide for an examination of policy and expenditure in Northern Ireland. So, if the Government were to give consideration, as I hope they will undertake to do, to the proposition that I have made in the interests of the House as a whole nothing would be diminished in the interests of Northern Ireland.

This House has for many decades, if not centuries, wrestled with the problem of how it could debate adequately and how it could scrutinise adequately the growing and more and more complex mass of public expenditure. There has been one type of solution which, alone, has been found satisfactory; a solution which the House has adopted since the middle years of last century in the use of the instrument of a Select Committee.

The Public Acounts Committee does already apply itself *ex post facto* to Northern Ireland expenditure and hon. Members who have studied them will acknowledge not only the value of reports that are laid before the House by the Comptroller and Auditor-General for Northern Ireland, but also the work which is done upon those reports by the Public Expenditure Committee of this House. But that of course, as I say, is only an *ex post facto* examination. It exposes what has already gone wrong. It is in no position currently to debate policy or currently to debate the trends of expenditure and administration.

For that purpose, the House has evolved in recent years a different form of mechanism for using the principle of the Select Committee. It began with the estimates Committees and their sub committees; it went on with the Finance Committee and finally we have brought it into the form of the departmentally related Select Committees, which have the opportunity to consider the estimates and other aspects of administration in the various departments of State.

I would think, therefore, that it would be an appropriate accompaniment of the decision to lighten the load upon the House to bring Northern Ireland within the scope of a consolidated and appropriation Bill, that there should be for Northern Ireland a Select Committee, as there is for Scotland and Wales, which can specifically address itself on a continuing basis, with the opportunity to send for persons and papers, to the examination of administration in the Province.

Mr. William Cash (Stafford): Would the right hon. Gentleman not agree that to have the equivalent of a Grand Committee for Scotland and Wales would be inadequate but that a Select Committee would be the key? Furthermore, that Select Committee should not merely examine appropriation expenditure but should also have the power in the interests of all those who are affected by proposals emanating from within the context of Northern Ireland to consider the legislation, if indeed the Assembly is dissolved, so that there can be proper scrutiny and amendment of legislation within the House, which the elected representatives of Northern Ireland may attend?

Mr. Powell: I am much obliged to the hon. Gentleman, and I follow his thoughts closely. There is one section of his remarks, namely, that referring to legislation, into which I do not want to enter, because the case that I have laid before the House is self contained in so far as it goes and in so far as it relates to the granting of Supply. I agree entirely with the hon. Gentleman that the device of a Grand Committee is not the one we are looking for, if we are looking for a means of detailed scrutiny of estimates, supply and policies. I remind him—I do not expect that he needs reminding — that the existing departmentally related Select Committees already have the right to examine matters of policy and administration on the estimates. Indeed, upon the examination of the estimates they can recommend that specific estimates should be specially debated during Supply days.

Mr. Mallon: What contribution have Northern Ireland hon. Members made so far to the Select Committees on which they still hold a place? What will be the effect of their type of approach to Select Committees and participation in the House if it continues? Surely it is a self-defeating exercise?

Mr. Powell: The hon. Gentleman is under a misapprehension. None of my hon. Friends is at present a member of a Select Committee of this House.

Mr. Mallon: Does the right hon. Gentleman then accept their resignations as of now? Is that in effect what he is saying?

Mr. Powell: The hon. Gentleman, my neighbour, may be a little confused. It is not possible for a person who is no longer an hon. Member of this House to remain a member of a Select Committee of the House. In consequence of that, my colleagues and I ceased to be members of the Select Committees on which we have served, and, as we have not been reappointed to those Select Committees, we are not at present serving on any Select Committees. Obviously, it would be an implication of this manner of dealing with Northen Ireland Supply business that for the first time hon. Members representing Northern Ireland constituencies would have a genuine opportunity, on the same basis as hon. Members representing other constituencies, to make their contributions on behalf of those whom they represent. That is something that they would welcome.

Mr. Mallon: If I am to take the advice of the right hon. Gentleman, may I seek clarification about which hon. Members succeeded those people on the Select Committees?

Mr. Powell: I am not sure, Mr. Deputy Speaker, whether I am competent to satisfy the hon. Gentleman's curiosity or whether in doing so I would be within the bounds of order. I am sure that there are sources in the House from which his curiosity on that point could be satisfied.

Mr. Mallon: Even Bobby Robson brings on subs.

Mr. Powell: My proposition is potentially beneficial to the House as a whole, in that it would enable the House to avoid the expenditure of time on a process which in itself is unhelpful to Northern Ireland and is repetitive in the cycle of the financial procedures of this House. It is also a method in which we should bring hon. Members representing Northern Ireland constituencies on to a parity of footing with fellow hon. Members which has always been the ambition of the party to which I belong. When the Minister replies, I hope that he will be able to indicate that the Government would be prepared to go with an open mind and in detail into the proposition that I have laid before the House.

11.19 pm

Sir John Biggs-Davison (Epping Forest): In common with the right hon. and learned Member for Warley, West (Mr. Archer), who spoke for the official Opposition, I gratefully acknowledge the courtesy of the right hon. Member for South Down (Mr. Powell) in providing us with a memorandum telling us of the proposal which he has put before the House. The House is looking forward to the opinion which will be expressed from the Treasury Bench when the Minister replies.

This is a short debate, and I wish to confine my remarks to class XI, vote 1, on expenditure for the Northern Ireland Assembly. It seems that the Assembly has fallen out of favour with my right hon. Friend the Secretary of State and the Government. Perhaps the question is not whether it should be dispatched but how? It would be possible for it to be abolished or to be dissolved, but abolition would require primary legislation. If the Government did decide upon that course, I do not think there would be the danger of all night sittings and the guillotine which had to be applied against Conservative and Unionist Back Benchers before the Bill, which brought the Assembly into being, passed its stages through the House.

I expect that the Government would prefer to resort to one of their colonial type Orders in Council with a short debate and no amendment possible. I understand that by that means it would be possible for the Government to prorogue or dissolve the Assembly. Thus the Assembly would be kept on ice.

Mr. J. Enoch Powell: I do not generally come to the aid of the Government in their exercise of direct rule in Northern Ireland, but perhaps I might suggest to the hon. Gentleman that in this case the Order in Council which would be brought forward would be one under a separate statute and not one under the interim period procedure which is disliked so much.

Sir John Biggs-Davison: Is the right hon. Gentleman saying that as a result the debate would be longer?

Mr. Powell: Not necessarily.

Sir John Biggs-Davison: I regret that I do not quite follow the point which the right hon. Gentleman is making. Perhaps I should not remain on that point because time presses and other hon. Members wish to address the House.

The right hon. and learned Member for Warley, West said that it has not been easy to justify this expenditure on the Northern Ireland Assembly and he suggested alternative courses for this expenditure.

It is a fact that the rolling devolution intended by my right hon. Friend the Member for Waveney (Mr. Prior) has not come about. No bridge has been built between the Unionists and the Nationalists through the Assembly. The SDLP has pursued the old Irish custom of abstention. Part of the case for what is called integration is that it is here, in this Parliament, that there can be dialogue between Unionist and Nationalist. There are two Northern Ireland Members in their places tonight, the right hon. Member for South Down and the hon. Member for Newry and Armagh (Mr. Mallon)—a Unionist and a Nationalist sitting close together.

To be fair, the Committees of the Assembly have been commended in this House for doing useful work of scrutiny whether pre-legislative or of the administration of the Province. I have had the honour of appearing twice before Committees of the Assembly. These functions could however be carried out equally well or better by appropriate Parliamentary Committees. The right hon. Member for South Down referred to the way that could come about. The manner in which it could be done is also prominent in the policy document of the Ulster Young Unionist Council, the "New Agenda". I commend that document to right hon. and hon. Members of the House.

Unionists are often criticised for saying no and for saying that they do not want the Anglo-Irish Agreement but refusing to say what they do want. But how many of those who chide the Unionists for acting thus have studied the proposals that they have made in the "New Agenda" and an earlier document, which is the most positive product of the Northern Ireland Assembly, "Devolution and the Northern Ireland Assembly The Way Forward". I say that it is a product of the Northern Ireland Assembly because, among those who presented it were the hon. Members for Belfast, South (Rev. Martin Smyth) and for Antrim, East (Mr. Beggs), who are also members of the Assembly. The message of those two documents is equal citizenship under the sovereignty and protection of this Parliament, rational conduct of Northern Ireland business at Westminster and a more democratic system of local government analogous to but obviously not identical to the somewhat differing systems of England, Scotland and Wales.

Perhaps I might quote from "The Way Forward" concerning Northern Ireland Assembly expenditure. It said that the Ulster Unionist party opposed the setting up of the Assembly and that it

"has been equally consistent in its declared objective of transforming that Assembly into a worthwhile institution for serving all the people of Northern Ireland. With this objective in view and bearing in mind the necessity for obtaining the widest possible consensus, the Ulster Unionist Party proposes that those functions and powers transferred from County and County Borough Councils to Stormont should be devolved to the Northern Ireland Assembly as the nucleus of its responsibilities."

A proportion of the expenditure under class XI Vote 1 is for the Clerkship and other Officers of the Northern Ireland Assembly. As the Assembly passes away, I trust that the careers of the Clerk and other staff will not be prejudiced. They may be needed again when Stormont becomes the seat of a regional council as propounded by the Conservative and Unionist party in the last election manifesto with anything positive to say about the administration of Northern Ireland within the United Kingdom.

11.27 pm

Mr. Seamus Mallon (Newry and Armagh): Listening to the right hon. Member for South Down (Mr. Powell) and the hon. Member for Epping Forest (Sir J. Biggs-Davison), I found it hard to believe that this was a debate on Appropriation. Part II seemed to be almost completely ignored.

I was intrigued by the right hon. Member for South Down, who told us that there were no constitutional implications in what he said. When he made exactly the same speech on 11 March, he said:

"I intend to concern myself, however, as heretofore exclusively with the constitutional aspect of the order."—[*Official Report*, 11 March 1986; Vol. 93, c. 891.]

There seemed to be a slight contradiction in the disingenuous way in which the right hon. Gentleman ably presented the same concept today.

I tried, rather unsuccessfully, to challenge the right hon. Gentleman on the effect of Unionist representation on Select Committees. The issues considered in Select Committees affect the clerks of the Assembly and people on the dole, those who run small farms in the north of Ireland and those who rear big families and will never work again in their lives. I respectfully ask the right hon. Member for South Down and others what contribution Northern Ireland Members have made to the Select Committee on Social Services, the Select Committee on Agriculture, the Select Committee on Education, Science and Arts and others during this Parliament.

I have not been here for the lifetime of the Parliament, but I understand that, since I have been here, there has not been any contribution from an hon. Member from Northern Ireland. It is erroneous to argue that the matter can be cured by appointing hon. Members from Northern Ireland to Select Committees. I leave that for the Secretary of State to consider, because it is worth considering. I would not have to make the points that I propose to make if hon. Members from Northern Ireland were on the Select Committees.

First, I should like to speak about the agricultural Vote, classes I to III. There is a crisis in agriculture in the western counties of Northern Ireland. Because of the bad winter and the bad weather last year, there is hardly any grass this year. When the Appropriation measure was first debated I made some points about the milk quota. An increase of £1·3 million in that quota is not enough to compensate our farmers, especially our small farmers. Because of the lateness of sufficient grass and the bad winter, a special additional payment should be made to farmers, equal to the present premium for suckler herds and sheep subsidy.

Secondly, I ask for a special grant for fertilisers so that grass can be brought to the stage at which one would expect it to be at this time of the year. Thirdly, an agency should be set up to try to obtain from EEC financial quarters special rates of interest which will allow Northern Ireland farmers who have suffered from the severe winter at least to get back to a standing start with their farms and stocks.

Fourthly, the Department of Agriculture in Northern Ireland should not attempt to claw back grants already paid for animals that have died and thus will not be on the land on the qualifying date. Fifthly, drainage grants should be returned to the previous 65 per cent. level so that our farmers, the backbone of society in Northern Ireland, at least have a chance to make some headway in their industry, the biggest industry in Northern Ireland.

I should like to see those points made on a Select Committee, but unfortunately there is no one from Northern Ireland on the Select Committee on Agriculture and I must take this opportunity to make them. Earlier I spoke about the £1·3 million increase in the milk quota. It is not enough for small farmers in Northern Ireland who are going out of business because they cannot pay bank interest. They were enticed into milk production and into expenditure and then hanged on the advice of the Department of Agriculture and the advice of the EEC because grants were cut from their feet.

On class II I shall be brief. During a previous debate, I think on 11 March, I spoke about Enterprise Ulster and its important role. I congratulate the Minister on recognising that role and on giving Enterprise Ulster at least a five-year lifespan. [illegible] has allowed one of the most important factors in Northern Ireland's industrial life to continue, and I thank him for that. He was rather bemused by a question I put to him at Question Time last week when I asked about the ACE schemes. I said that they were beginning to help people in Northern Ireland who do not really need such help. That help will be increasingly denied to areas of social deprivation where help is needed. There are warning bells there and the right hon. and learned Member for Warley, West (Mr. Archer) has started to ring those bells in relation to Dove house. We will never get a pure situation at community level in Northern Ireland. We should not expect that, but if we wish to make headway towards it we should remove the ACE schemes from people who do not really need them.

I turn to the second Supplementary Estimate of £300,000 for the Department of the Environment. I have one request to make of the Department of the Environment. It is a simple, but big and symbolic one: demolish Divis flats; knock them to the ground and rehouse the people where they can have a decent standard of living and a decent environment. I assure the Minister that he will do more to end urban terrorism and civil unrest by that one action than by many of the other things that he is intending to do. The argument that there is not the land available to build such houses is no longer valid. The land is there to build those houses, and I ask the Department of the Environment to do so.

Changes are mooted, of which the first is to community technical aid, which has been important for community and housing groups by giving much-needed technical advice, especially in large housing conurbations. They ask for a small amount of money from the Department of the Environment, some £88,000, and a guarantee that the scheme will be kept going for a further five years. That is a small price to pay for the technical advice which such groups need, and which has already produced such tremendous results in the Divis flats and Craigavon. I ask that that £88,000 be given.

In April 1987, the schooling of the mentally handicapped will be transferred from the responsibility of the Department of Health and Social Services to the Department of Education. I welcome the transfer because that is where the responsibility should have been to begin with. There is an initial danger that there will be a no-man's land between now and the transfer. The education boards may not be properly financed to get this important part of education off the ground immediately. It may fall into a pit for a while. We owe it to those who are physically and mentally handicapped not to allow that to happen. We know that education area boards have had their funds cut, and if more cuts came about, and there was not proper budget planning until April 1987, we would be doing a great disservice to those in our community who are least able to look after themselves.

When the changeover takes place, there is no statutory responsibility to give educational facilities to the handicapped who are over 18. That gap must be plugged, and it must be a statutory requirement. It cannot be left to the discretion of the area boards. We must provide those who are seriously physically and mentally handicapped with the right to education.

I have already voiced my views about the Social Security Bill both here and with the Minister concerned. There is a great problem with this which I call the area

[Mr. Seamus Mallon]

board syndrome. On paper, it looks good, and the statistics can be argued favourably, but unless the social fund which will replace the special payment grant is sufficient all the detail falls apart. The Minister with responsibility for the social services in the Northern Ireland Office can tell any area to cut its budget by any sum, and there will be a statutory requirement on it to do so. Coupled with a new 20 per cent. water rate in what is an area of great dependence on social security, it is vital that we tackle this matter. The Government's new social security policy could give rise to serious problems throughout Britain. It could give rise to the greatest problems in Northern Ireland because we who live there are aware of the relationship between social and environmental deprivation and paramilitary activity.

It is noteworthy, in connection with the Northern Ireland Assembly, that since the first appropriation measure on 11 March the sum being spent on that body has increased from £1,452,000 to £2,700,000. I do not know whether the increase is designed to cover the cost of a new telephone system.

My party warned the then Secretary of State that the Assembly as constituted would prove to be a white elephant. We were right. It became not only a white elephant but a rogue elephant. It put itself out of business by trumpeting its way into the basement, the telephone area, of the Northern Ireland Assembly headquarters in Stormont and finally convinced Her Majesty's Government that it was not contributing to welfare or to progress in the north of Ireland.

I urge, as other hon. Members have urged, that that £2 million be used constructively — say, in agriculture, health, education or social welfare—and that we learn a lesson from the measure that is before the House. The lesson is that, if we are ever to create anything positive in the north of Ireland, we must at least get the basis of it right.

11.43 pm

Mr. Ian Gow (Eastbourne): I join the right hon. Member for South Down (Mr. Powell) in noting with approval the presence of the Secretary of State. His presence is a characteristic courtesy which has the approval of all hon. Members who take an interest in Northern Ireland affairs.

I agree also with the right hon. Gentleman in his proposal for a Select Committee, and I hope that the occupants of the two Front Benches will give careful consideration to that suggestion.

The hon. Member for Newry and Armagh (Mr. Mallon) concluded by referring to the Northern Ireland Assembly. Some of my hon. Friends voted against the setting up of that Assembly four years ago, and I cannot conceal from the House that I was no great enthusiast for its establishment. I shall shed no tears if the provision in this instrument on the Assembly in this financial year turns out to be a substantial overestimate.

I urge the Minister to reflect on the remarks of my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison). After all, the Secretary of State was a member of the shadow Cabinet which approved the manifesto on which we won the general election of May 1979. I hope that my hon. Friend the Minister will correct me if I am wrong, but I believe that I would be right to quote verbatim from the manifesto and say that it promised

"In the absence of devolved government, we will seek to establish one or more elected regional councils."

The appropriation order relates to substantial appropriations for administration costs in the Province. I still believe that it would be right to confer modest additional powers on the 26 district councils in Northern Ireland. Although it is seven years too late, we should implement the official policy of the Conservative and Unionist party which existed up to and including the general election on 3 May 1979. It is a matter of continuing regret to me that the policy approved by the shadow Cabinet, included in the manifesto and endorsed by the British people as abandoned by my right hon. Friends who now sit on the Treasury Bench. It will be of great advantage if my hon. Friend the Minister will reflect more carefully than the Front Bench has so far reflected on the wisdom of the policy set out in the 1979 manifesto.

11.46 pm

Mr. William Cash (Stafford): It is now more than six months since I called for a Select Committee to deal with matters relating to legislation in Northern Ireland. The proposals for a Select Committee that I have heard today and that have been proposed in the past month or so go part of the way to meeting my request. However, I fear that unless the vacuum in terms of effective scrutiny and effective monitoring of legislation is followed by a proper process in which a Select Committee for Northern Ireland can be set up, the problem of violence and the seperation of people from their current legislation will get worse. I therefore reiterate my call for a Select Committee to ensure that all those who represent different identities within the tragic Province of Northern Ireland, can voice their feelings and can sit down and calmly consider the problems that face that troubled part of the United Kingdom.

I part company from the hon. Member for Newry and Armagh (Mr. Mallon), who clearly does not have much faith in the concept of a Select Committee to deal with the problem. I ask the hon. Gentleman to reflect carefully on the basis of the argument that has been put forward for a Select Committee in the areas that I have outlined.

I also part company from the right hon. Member for South Down (Mr. Powell) as I believe that a Select Committee would need to go somewhat further than the rather limited area to which he addressed himself earlier.

Mr. Mallon: The hon. Member is wrong; I did not say that. I said that when hon. Members from Northern Ireland have the opportunity of serving on Select Committees and making an in-put they do not do so. Therefore, basic and fundamental issues are passing through without comment.

Mr. Cash: I accept the hon. Gentleman's point. The difficulty is, of course—and I refer to class XI.1 of the Appropriation order which deals with expenditure for the Northern Ireland Assembly—that that has not worked, that it will not work and that something must be put in its place. It is not possible to carry on with the existing system.

Mr. Deputy Speaker (Mr. Harold Walker): Order. This is a delicate area, but I must remind the hon. Gentleman

that we are discussing the Appropriation order. We are discussing cash, not constitution, if I may put it in that way. It would be out of order for the hon. Gentleman to discuss the structure of government in Northern Ireland.

Mr. Cash: I take the point, Mr. Deputy Speaker. I was referring to the expenditure of the Northern Ireland Assembly and class XI. I believe that it is essential that the money should be spent fairly for all the people of Northern Ireland and, therefore, I call again for a Select Committee to deal with the range of activities which I believe needs proper consideration.

11.50 pm

Mr. Stuart Bell (Middlesbrough): I am sure that the hon. Members for Stafford (Mr. Cash) and for Eastbourne (Mr. Gow) will forgive me if I do not enter into constitutional aspects of the matters which have been raised during the debate. The time will come when we have more time at our disposal and we can have a better and deeper debate on constitutional matters. I shall confine my short remarks to the order, and I shall begin by referring to some of the Minister's comments when he opened the debate.

The Minister spoke of the £2,706 per head that is spent in Northern Ireland, and he compared that sum with the respective figures in Scotland, Wales and England. He said that more money is spent per head on the people of Northern Ireland than on those in the rest of the United Kingdom. That shows the Government's commitment, having been hurried along by the Opposition and supported by the House, to the people of Northern Ireland. I am glad to see the hon. Member for Langbaugh (Mr. Holt) in his place, because he and I know that unemployment rates in Cleveland and Middlesbrough are especially high. The Minister referred to the unemployment rate in Northern Ireland, which is 21·7 per cent. The rate is higher in Cleveland and, therefore, it is right to draw public attention to the fact that more money is spent per head of the population in Northern Ireland than in the rest of the United Kingdom.

The Minister addressed himself to education and spoke of the Government giving priority to schools and what he described as the maintenance of classroom standards. He referred to an increase in the recurrent budget of 4 per cent. I have some pleasant news for the Minister. The recurrent budget is £216 million, which is an increase of 5·5 per cent. In other words, the Minister is better than his own figures.

There was some concern about the impact of the South-Eastern Education and Library Board's £400,000 budget and the threatened cut in milk and meals for 1986-87. The board felt that school meals might be discontinued. I am glad to have had an assurance from the hon. Member for Peterborough (Dr. Mawhinney), the Under-Secretary of State for Northern Ireland, that that is not the position and that existing arrangements to provide school meals free of charge to those eligible to receive them will not be affected.

The Minister said that housing expenditure in Northern Ireland was four times higher than in the rest of the United Kingdom. I can only presume that expenditure in the rest of the United Kingdom is four times lower than it should be. In the context of bids and allocations, the allocation for housing in Middlesbrough is a quarter of the bid that was made. It seemed from the Minister's remarks that housing in Northern Ireland has lost out somehow in the struggle for funds within the Northern Ireland block grants. It may be that because of that the executive for the Belfast city council area planned to cut its housing starts for 1986-87 from 1,000 to 850, and planned cuts in improvement schemes from 1,200 to 400.

I do not wish to deprive the Minister of a few minutes in which to reply to the debate, notably to the issues raised by the right hon. Member for South Down (Mr. Powell) and others. The Minister will not have much time at his disposal and that which remains I gladly give to him.

11.54 pm

Dr. Boyson: I thank the hon. Member for Middlesbrough (Mr. Bell) for his brevity. When one waits to reply at the end of a debate, only to find that there is little time in which to do so, there is a feeling of deprivation. I am grateful to the hon. Gentleman for the four minutes that remain.

If the decision is made that there is not to be an election this year, the money — the £2·5 million, which is basically for the maintenance of the Assembly — will go back into the block for reallocation. The answer to the queries about where the money should go — although the right hon. Member for South Down (Mr. Powell) did not refer to any money being spent — is that we will look at where the money should go.

The question of ACE was raised again, as it was last week during Question Time. I made it clear then — and this was brought out to a great extent in the heading in the *Belfast Telegraph* — that we are always open to representations. Indeed, since last Thursday I have spoken to those concerned, including at least two of the ACE groups. Money has not been allocated to them, because of what were considered security risks. We are considering the matter now and we will issue information on what we do. I shall keep the right hon. Member for South Down informed of developments.

The Eastern health board is not suffering a cut of £5 million in its budget, but is making savings of £5 million for redevelopment where it believes the money should be spent. This year the board will have over 6 per cent. more money than it had last year.

Reference was made to the strike at the Royal Victoria hospital. The dispute is most regrettable. It is our earnest hope that it will be resolved as soon as possible. However, I must make it clear that the determination of priorities and budgetary allocations within the Royal Group is a matter for the Eastern health board. The board this year has cut back £900,000 on one side, but it has put in £5·4 million on the other side. Its management and its conduct of industrial relations must fall within its remit. Currently the Labour Relations Agency is in discussion with both sides with a view to appointing a mediator to examine the causes of the dispute and how it can be solved. I am sure that all right hon. and hon. Members wish it well in what it is doing.

Reference has been made to the social security reforms. The intentions is for those to come into operation at the same time as in the rest of the United Kingdom. Obviously there will be an opportunity to debate the matter then.

The point raised by the right hon. Member for South Down, was as always, a constitutional point. I do not say that in any way as a rebuke, because it is a question of how the Province is governed and how the money is distributed.

[Dr. Boyson]

I am grateful for the fact that he gave me warning of the points that he would raise, as did the right hon. and learned Member for Warley, West (Mr. Archer).

On first examination, I do not totally share the confidence of the right hon. Member for South Down that the proposals do not raise fundamental constitutional and administrative difficulties when they are considered, as they must be, in the context of Parliament's view of how best to deal with Northern Ireland's special needs and circumstances. However, the Prime Minister made it clear when she met Unionists leaders earlier this year——

It being one and a half hours after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 3 (Exempted business).*

Question agreed to.

Resolved,

That the draft Appropriation (No. 2) (Northern Ireland) Order 1986, which was laid before this House on 7th May, be approved.

PETITION

New Mine Complex (Warwickshire)

11.59 pm

Mr. J. F. Pawsey (Rugby and Kenilworth): With your permission, Mr. Deputy Speaker, and that of the House I beg to ask leave to present a petition to the House. It is signed by Sylvia and James McElligott, Cllr. Tony Dalton and more than 6,000 of my constituents. They oppose the proposals of the National Coal Board to develop a new mine complex in the green belt in Warwickshire. They believe, and I agree with them, that should this proposal go forward, it will irretrievably damage the green belt and cause the utmost damage to the environment in this area.

I ask the House, therefore, to receive the petition and to support my constituents in any way possible.

To lie upon the Table.

Smith Houses, Leicester

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

12.1 am

Mr. Greville Janner (Leicester, West): I am pleased to have the opportunity to raise on the Adjournment the matter of Smith houses in Leicester. The problem afflicts a number of my constituents who were council tenants but who have, at the Government's behest, and through arrangements made by the Government, bought their homes and have found that those homes are defective and are unable to be repaired as the homes of their neighbours, who are still council tenants, have been repaired. I appeal to the Government, through the Under-Secretary of State for the Environment — the hon. Member for Ealing, Acton (Sir G. Young) — to make appropriate arrangements for justice to be done to those owner-occupiers.

I recognise that the problem does not afflict owner-occupiers only in Leicester. It has reverberations in many parts of the country. I pay tribute to my hon. Friend the Member for West Bromwich, West (Miss Boothroyd) for her efforts to obtain, at least, the movement from the Government which apparently has been made. Alas, it is the apparition of movement and not its reality that we must consider tonight.

There are 250 Smith houses in the city of Leicester. All of them are defective and in need of repair. Forty-two out of the 73 Smith houses — 57 per cent. — in my constituency are occupied by people of modest means who cannot afford to pay the cost of having those homes, formerly council owned, put right at their expense.

Part XVI of the Housing Act 1985 provides a mechanism whereby the local housing authority—in this case the Leicester city council — can distribute repair grants in favour of owner-occupiers and then recover 90 per cent. of the cost from central Government, the owner-occupiers paying the remaining 10 per cent.

On 1 May this year, after much pressure, especially from local councillors—I pay tribute to Councillors Ray Flint and Brian Shore in my constituency — tenants associations, including those representing my constituents, Members of Parliament such as myself, Labour Members and, in fairness, I must say one or two Tories, the Minister has moved. He may not have moved far enough, but any movement from the Government in the direction of sanity is a rarity much to be welcomed.

However, the movement has been extremely limited. In Leicester and elsewhere, the order designating Smith houses was finally made, but there are two obstacles to its implementation. First, the Leicester city council has been prevented from distributing any repair grant and, secondly, the terms of the relevant designation order will limit the scope and effectiveness of the eventual repair grants. Before the Leicester city council can make any repair grants, it must be satisfied, among other things, that once repaired the houses will be acceptable to a lending institution for mortgage purposes.

The Building Societies Association's policy is that it will offer mortgages on defective houses only if they have been repaired using a "repair system" that has been approved by PRC Homes Ltd. The Building Societies Association is not bound, by law, to make that decision. It has concluded that PRC Homes must approve the repair system. PRC Homes Ltd was set up to examine, approve and give warranties on repair systems for defective houses.

Leicester city council has devised a first-class repair system which is being used on its own properties. Fifty properties have been repaired in accordance with the system. Some 50 tenants are thoroughly satisfied with the changes that have been made in their properties which protect those properties from further deterioration. The system has been not only designed by the council's highly skilled and excellent team of architects, surveyors and experts but approved and recommended by two independent experts.

In those circumstances, it will surprise the House to note that PRC Ltd has not approved the system. Indeed, I understand — the Under-Secretary of State will correct me if I am wrong — that PRC has not approved any repair system for Smith houses. No doubt, we shall soon find out if it has. Leicester city council has been told that its system is such that PRC would not approve it, that it would not stand a chance and that it would be a waste of ratepayers' money to apply for approval, because the application would be rejected.

If PRC rejected the Leicester repair scheme because it was not good enough, fine — at least we would know what points had to be corrected. But the question is whether the criteria applied by PRC are correct and whether the Building Societies Association should require approval by PRC. Smith houses are not of prefabricated, reinforced concrete construction. They are not PRC houses. They are not Boot houses, to which the PRC's criteria would apply. It is folly to judge Leicester's repair system, which is already in use for a number of council houses that are tenant occupied, as though they were PRC houses.

Leicester city council's engineers, who are highly competent, highly skilled, responsible and experienced, and two excellent and highly recommended independent consultants have submitted that the opinion that it is unnecessary to require the removal or making redundant of all elements containing steel reinforcement. This would entail the replacement of every block in every wall in every Smith house and require a repair scheme costing up to three times more than the Leicester scheme. If such a repair scheme were necessary, Leicester city council would somehow have to find the money and undertake the measures that have been required for two Boot houses. Last weekend, I went around the Braunstone area of Leicester in my constituency and saw where Boot houses had been pulled down and new homes built in their place.

I am proud to compliment Leicester city council on the care that it shows the citizens of Leicester. It would ensure that the necessary repair scheme was carried out. However, if the council spent three times the money that was needed to do the work, it would not be surprising if it were lambasted for wasting ratepayers' money. There is far too much ill-informed complaint in the House about Leicester city council. With minimum funding and despite vicious cuts by the Government, it is seeking to maintain its services to its citizens.

I am glad to have the opportunity offered by this Adjournment debate on Smith houses in Leicester to pay tribute to the council for its work for its citizens and to refer to the folly of those who seem to spend their lives

[Mr. Greville Janner]

happily pouring scorn on what is good instead of joining in building a fine city for those who live there and who are entitled to decent homes.

The Government encouraged tenants to buy their homes, but, in the case of Smith houses, they were encouraged to buy defective houses. The Government, having made provision for tenants to buy those homes, which turned out to be defective, have created a system with which it is impossible to comply. Those owner-occupiers have therefore been let down by the Government whom, unfortunately, they had trusted.

The Leicester city Smith houses have exhibited four defects. I understand that the designation order refers to one defect only, so the owner would have to pay the full cost of repairing the other three defects. In that respect they have also been abandoned by the Government. It is no good the Minister saying that the defects could have been recognised and reflected in the sale price. In most, if not all, cases the defects were not so recognised. People bought their council houses on the basis that the Minister suggested and it is against the whole ethos of the housing defects legislation for the Government to deny compensation to those owner occupiers in this way.

I ask the Minister to look again at the entire system and either to extend the designation order or to make it clear that the repair of the other defects does come within the purposes of the repair grant for the single designated defect. The owner-occupiers, the council and myself, as Member of Parliament for the owner-occupiers, wish the Minister would take the steps outlined so that the houses can be repaired. If he will not do so, it is clear that he is forcing the House to accept the position of last resort.

No doubt one day the council would have to re-purchase those homes. That is not what the Government intend, it is not what the council want and it is not what the Opposition would consider right, and I hope that it is not what the Minister wishes either. The council does not wish to have a further burden on its already over-burdened housing investment programme. Certainly most of the owner-occupiers do not want it. They have exercised their right to buy, have moved out of the public sector at the Government's behest, and are now entitled to be helped by the Government and not to be let down in the way that they have been.

All that is against the background of a general housing situation which would not simply permit them to move out of their Smith houses into others, as might be possible where housing is abundant. Half of the housing investment programme is being spent in replacing Boot housing, leaving less for other projects. There are 1,500 Boot houses to be replaced at a cost of £40 million over 10 years. Fifty of the council Smith houses were repaired last year at a cost of £4,500 each. What really matters is that there are some 11,000 outstanding housing applications in this city. People cannot simply move back into the public sector. There are some 30,000 people waiting to be housed in Leicester and, of those who are housed, one in three live in adverse conditions, according to the Office of Population Censuses and Surveys. Four thousand out of the 34,000 council houses lack basic amenities. It is not possible for people to say "We were in Smith houses. We can now move out".

It is calculated that some £50 million would be needed for the council to do its job as it should be able to. In Leicester the council gets £13·2 million from the Government out of that £50 million. It is hardly surprising that it is unable to do the job. As it stands, it is not possible for the council to dip into the city council treasury, which is depleted because the council was forced to use the meagre reserves in the year of rate-capping in order to rebuild the Smith houses at local expense. The Government have propelled people into buying those homes and into acquiring their properties. Those properties were defective and it is the moral duty, if not the legal duty, of the Government to see that those homes are now repaired at the cost of central Government. It is the Government's duty to see that the systems which have been set up are not, as would appear, a tantalising mockery but that they will enable people to get the money that they need in order to carry out the work that they are entitled to in order that they may be housed in a city where far too many people either have no homes or inadequate homes and where some 30,000 people are on the housing list.

12.14 am

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I am grateful to the hon. and learned Member for Leicester, West (Mr. Janner) for giving us this opportunity, albeit brief, to discuss the problems facing Smith home owners in Leicester. I compliment the hon. and learned Gentleman on his attire, which has lent some tone to the Chamber.

The position is not as grim as the hon. and learned Gentleman made out in his speech. I hope that the 72 owners of those houses in Leicester will not be too influenced by what he said about the Act, which he described as a tantalising mockery. That is not so. I hope that I shall be able to explain to him that the Government have leaned over backwards to bring help to people such as the home owners in Leicester who have bought their Smith houses.

Some of the points that the hon. and learned Gentleman made are not totally unfamiliar to me because he has been assiduous in putting them to me through parliamentary questions and through the most recent letter that he wrote on 22 May, which I have studied carefully. I shall send him a full reply, which will also reflect what we have heard today.

The hon. and learned Gentleman understandably focused on the 72 Smith owners in Leicester. But I hope that the House will bear with me if I outline the background to the problem because it is possible to lose sight of that.

When we first discovered the problems with Airey houses in 1982, and then with the other prefabricated reinforced concrete houses, the Government did not take the line that we could have. That line was simply to say "caveat emptor," and that it was down to the owner-occupiers to look out and make sure that they did not buy property that was not of the proper value. Instead, we recognised our responsibility to those who had bought in good faith from the public sector and then found that their houses were defective in ways that could not have been foreseen when they bought. So we introduced first the voluntary Airey scheme of assistance, operated through the repair grant machinery, and then our comprehensive Housing Defects Act 1984.

It is appropriate that the author of that Act should be in his place tonight. My hon. Friend the Member for

Eastbourne (Mr. Gow), the then Minister for Housing and Construction, piloted the legislation through the House. I hope that the hon. and learned Member for Leicester, West will give the Government the credit that they deserve for grasping the nettle in that way. I should add that, of course, the Act had all-party support in its passage through the House in the summer of 1984.

I now refer specifically to Smith houses. The problems associated with those houses were discussed during the passage of the Housing Defects Bill, and my hon. Friend the Member for Eastbourne commissioned the Building Research Establishment to study them. The BRE's initial findings were that the houses did not warrant designation under the Act. Although the BRE identified vertical splitting and cracking arising from corrosion of the handling steel in the blocks as a problem which could arise in theory, and which, if it did, might ultimately threaten structural stability, it saw no evidence of it happening in any of the properties that it looked at. That was why my hon. Friend the then Minister announced in July 1984 that he had decided against designation. But we retained an open mind. We told the House that we would continue to look at the matter. We said that, if we could have evidence on the condition of Smith properties and on matters such as valuation and mortgageability, we would look at it again.

The hon. and learned Gentleman referred to the hon. Member for West Bromwich, West (Miss Boothroyd), who took some initiatives in this respect. I should also mention my hon. Friends the Members for Leicester, East (Mr. Bruinvels), for Birmingham, Hall Green (Sir R. Eyre) and for Birmingham, Yardley (Mr. Bevan), who also played a part in the subsequent debate about Smith houses.

As a result of those representations, we asked the BRE to look further at certain properties in Sandwell. At those properties, we saw that what the BRE had said might arise was indeed taking place. That, together with other information that we then had to hand on loss in values, mortgageability and so on, convinced us that we should designate nationally. My hon. Friend the Minister for Housing, Urban Affairs and Construction announced our decision to do so on 19 December.

That is a potted history. I think that it demonstrates that we have been open-minded and have done our best to help owners whom we recognise were in a very difficult position.

Moving on from there, we had discussions with several authorities in the midlands where the Smith owners faced additional problems caused by the use of shale fill in the foundations. We held back on national designation to give those authorities time to make local designations to cover the foundation problems. There was a technical reason why we did not want to designate nationally — that would have knocked out help to Smith owners in Birmingham who had an additional problem with the shale foundation. We made the national designation in late April, and it came into operation on 1 May. All eligible owners are statutorily entitled to assistance.

I shall deal now with some of the specific points that I know are worrying the owners of Smith houses in Leicester. The first point is a basic one. Under the Act, eligible owners are entitled to assistance either by way of a reinstatement grant or repurchase at 95 per cent. of the defect-free value.

As with the PRC designations, we have to provide 10 years as the period over which the owners can get that assistance. The owners will get the assistance to which they are entitled over that time. Many of us hope that this might take the form of reinstatement, but if that proves not to be possible, for whatever reason, assistance will still be forthcoming through repurchase of 95 per cent. of the defect-free value.

That leads me to the basic question of the form that reinstatement should take and the amount of grant assistance that the owners might get. On the latter point, all designated house types have the same eligible expenditure limit for grant purposes, which is £14,000. As I think the hon. Member will know, my hon. Friend the Minister for Housing announced last week that we are proposing to increase the limits for most types and to bring this proposal into effect by the end of August. The important point here is that for the Smith houses we are proposing a new and higher limit of £20,000. I am sure that that will in itself help.

Turning to the form of repairs, the hon. and learned Gentleman expressed concern that the designation itself referred only to defects arising from corrosion of the steel handling bars, rather than from other defects such as cracking caused by movement between the concrete blocks or intersecting walls, or problems with the roofs. Therefore, the cost of some repairs might have to be met by the owners themselves.

We have followed closely the precedent established for PRC houses. I want to make it clear that assistance available under the housing defects legislation should relate in principle only to losses that the owners have incurred, because of defects in their homes that could not reasonably have been anticipated or taken into account in the valuation when they bought the house. Corrosion of the steel handling reinforcements in Smith houses is just such a defect, causing substantial loss in value. That is why we have designated the houses.

I have to say that possible problems with the roofs of some houses — they are of a basically traditional design — or, indeed, movement of the walls caused by temperature or moisture changes, are commonplace things that a surveyor would be expected to recognise. Those problems could not justify extending grant aid to repairs of that nature. That said, it may well be that in order to fix the inherent defect a repair method may sweep up some of the related defects at the same time. If that were the case, the owners would benefit accordingly. But if it did not do so and it turned out that major works were needed to deal with the independent defects and that those would not be grant assisted, the owner might well be entitled to repurchase instead. That could be the case if the other defects were serious enough to prevent the houses from having a thirty-year life, which would mean that they were unmortgageable.

Again, the owner would not be left in the lurch. He would get assistance. In that case the repurchase price would be 95 per cent. of the defect-free value in relation to the qualifying defect.

Mr. Peter Bruinvels (Leicester, East): My hon. Friend will have been aware of my problems with Smith houses since 1984, including the 31 Smith houses in the Netherhall estate, and aware of the Vice-chairman, John Dixey. They are concerned to get the repairs done privately. They are

[Mr. Peter Bruinvels]

confident that the Government will help them in all possible ways, but they are not confident that the city council's way of repairing the houses is satisfactory.

Can my hon. Friend assure my constituents that such a system, once approved, will enable the work to be carried out privately and that, if it is not carried out privately, there will still be an opportunity for the houses to be purchased back by the council?

Sir George Young: My hon. Friend's second suggestion is indeed the case. If a suitable system is not available and the houses cannot be repaired economically, to obtain a mortgage with a thirty year life, then indeed repurchase is available to those owners.

In relation to the first point, there is no obligations at all to use Leicester city council's own repair system. I hope that other systems will be approved by PRC homes, and owners will be entitled to use both systems. That leads us to the question of whether Leicester city council's proposed repair methods would meet the requirements of the Act. My officials have had discussions with officers from the council, which I hope have been helpful. I know that Leicester council has put a lot of effort into working up its proposed repair method, include drawing upon the advice of consultants, as well as its engineers, and that it is planning to use the method to repair its rented stock. Obviously this is not the best opportunity for a detailed technical discussion of what are, I understand, complex issues, but there are requirements placed by the Act itself which are relevant and which do not apply to the system that Leicester may use for its rented property.

The first is the 30-year life — the property, when repaired, must have an expected life of at least as long as that if the repair is to be acceptable for the Act's purposes. The council believes that its repair method would satisfy this test. That is a matter for PRC Homes. The second is mortgageability — the repaired property must be mortgageable in the private sector. I understand that Leicester council has had some discussion with building societies and other lending institutions. Much will obviously turn on the outcome of those discussions, but I understand that so far the council has not been able to attain the assurances it needs. It was to try to ensure that repair methods were generally acceptable as mortgageable that we, the BSA and the local authority associations themselves encouraged the NHBC to set up the approvals and warranty scheme, so that a repair method endorsed by it would be generally accepted as mortgageable for the purposes of the Act. There is no legal requirement for repair methods to have NHBC approval, but they must meet the tests in the Act.

The hon. and learned Gentleman will ask "What about the NHBC rules on the removal or making redundant of all PRC elements, and how relevant are these to the rather different Smith case?" I think the answer must be that the NHBC will obviously need to consider this. As I indicated in a recent parliamentary answer, its detailed criteria may well require some adaptation because they were framed very much with PRC houses and loadbearing reinforcement in mind, and Smiths, with the non-loadbearing steel handling bars are somewhat different. I think it might help if Leicester could hold further discussions with PRC Homes Ltd. I appreciate that the Smith owners want to be sure that if their houses are to be repaired, that repair will be effective and make the houses mortgageable. Therefore, it is not just a matter of what the Act requires — the owners have a real interest in making sure that their problems will be resolved once and for all.

I stress the point that I made earlier, that the owners have 10 years in which to get assistance. Now, if they want to move quickly, the Act provides for that under the "hardship provisions", with which the hon. and learned Gentleman will be familiar. They allow owners to make a claim for assistance by way of repurchase if it would be unreasonable for them to await a repair. But for the other owners, who would like to have their houses repaired if possible, it may well be best to wait a while and see what methods emerge. Our recent announcement of the increased expenditure limit may well encourage builders and designers to look further into this and to work up suitable ideas.

A year ago we had no approved repair methods for PRC houses, and there were those who feared we might never achieve any, yet now we have 14 approved methods covering four of the major PRC types, with many more in the pipeline. Indeed, I can give the House the good news that last Friday the PRC Homes assessment committee approved a repair method for Orlit houses. This is relevant because, like Smith houses, Orlits were known to be a difficult type to repair, yet we now have an approved repair method for them. I am hopeful that other repair methods will emerge for Smith. Obviously it requires an element of patience, and I understand how frustrating that must be but a good repair, which solves problems once and for all and avoids the need to move, is worth the wait.

We have had a useful debate and I should like to thank my hon. Friend and the hon. and learned Member for raising those points. If I have not covered all the points, I shall write to them and try to be helpful. Basically, the Government want to help home owners and the council to meet the problems that have arisen through the discovery of the defects in the Act. I hope that those in Leicester will do what they can to encourage builders and designers to bring forward suitable repair systems to PRC Homes Ltd. for approval. Then we can make swift progress in tackling these problems.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Twelve o'clock.

House of Commons

Wednesday 11 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

Nepal

1. **Mr. David Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if he has had any recent discussions with the Nepalese Government about matters raised during his visit to Nepal in February; and if he will make a statement.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): My right hon. and learned Friend has had no recent discussions with the Nepalese Government.

Mr. Atkinson: Does my hon. Friend share my dismay over the fact that since our right hon. and learned Friend met his Nepalese counterpart in Nepal in February there have been further reports of the persecution of Christians, including the most humiliating and inhuman treatment of two Catholic nuns? In view of this, will my hon. Friend now warn the Nepalese Government that it cannot be long before public opinion in this country, and in the United States in particular, will be pressing to end all aid to Nepal until such time as the persecution of Christian citizens comes to an end?

Mr. Eggar: We are aware of reports of the incident to which my hon. Friend refers and we are seeking further details. As he is aware, we share his concern about the reports of ill-treatment of Christians in Nepal. My right hon. and learned Friend mentioned our concern to the Nepalese Government during this visit in February.

Mr. Alton: Given that those nuns and priests were dragged through the streets, beaten, and, in the case of the nuns, stripped naked by Nepalese policemen, does the Minister agree that it is about time that Her Majesty's Government stopped turning a blind eye and took up with the Nepalese Government this grave issue of the violation of human rights?

Mr. Eggar: As I have already said to my hon. Friend the Member for Bournemouth, East (Mr. Atkinson), we are seeking further details of the incident to which the hon. Gentleman refers. I remind him that Nepal is a sovereign independent country, and we have no locus standi to intervene on behalf of Nepalese citizens.

NATO Foreign Ministers

2. **Mr. Fallon** asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to meet the other North Atlantic Treaty Organisation Foreign Ministers.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I next expect to meet other NATO Foreign Ministers collectively at the North Atlantic Council ministerial meeting in Brussels in December.

Mr. Fallon: Does my right hon. and learned Friend agree that one of the primary interests of the Soviet Union is to invent and exploit potential divisions between members of the Alliance—for example, this country and the United States? Is it not highly irresponsible of the shadow Foreign Secretary, when in Moscow, to lend himself to a conspiracy against the membership and strength of the Western Alliance?

Sir Geoffrey Howe: If I had to account for all the activities of the right hon. Member for Leeds, East (Mr. Healey), I should spend a great deal of time trying to defend him in vain. I hope that he took the opportunity when he was in Moscow to drive home to the Soviets the need for them to reach out for a balanced agreements on arms control.

Mr. Winnick: Is it the intention of NATO Ministers to send congratulations to the newly elected President of Austria? Can the Foreign Secretary——

Mr. Speaker: Order. What has this matter to do with the North Atlantic Treaty Organisation?

Mr. Winnick: I should like to know from the Foreign Secretary whether the NATO Foreign Ministers believe that it is desirable that someone who, at best, prostituted himself for the Nazi war machine and at worst actually gave orders that led to countless deaths should have been elected as President of Austria. Why did the British Government send congratulations? Does the Foreign Secretary understand the deep concern among many people in Britain over what has happened in Austria?

Sir Geoffrey Howe: I admire the hon. Gentleman's capacity to stretch the rules of order to their limit. It is not my intention, speaking on behalf of NATO Foreign Ministers, to answer his question. Each Government have responded to the outcome of the democratic election conducted in Austria on the basis of their judgment of the facts.

Sir Peter Blaker: What does my right hon. and learned Friend believe would be the reaction of his NATO colleagues if it were to be announced that this country was intending to give up unilaterally its independent strategic nuclear deterrent and to expel American nuclear bases from this country?

Sir Geoffrey Howe: I have no doubt at all that my NATO colleagues would react with shock and astonishment at such an announcement, because it would cast away the effective foundation of the defence of this country as well as the effective foundation for our playing a realistic part in the arms control debate.

Mr. Faulds: Is not one of the most damaging influences at play in relation to the success of NATO the American

President, who pursues policies that damage the organisation, such as the rejection of SALT 2, the use of British bases for action outside NATO and his general attitude of disregard for European interests?

Sir Geoffrey Howe: I certainly cannot join the hon. Gentleman in taking such a view of these matters. It would be welcome if he were to take the same kind of critical attitude of the leadership of the Soviet Union on matters of this kind. In fact, the United States leadership has in the last few years been taking steps to advance the process of arms control, and we have continued to emphasise the importance that we attach to that.

Mr. Temple-Morris: Will my right hon. and learned Friend firmly take on board the fact that it is not just a question of the Soviet Union exploiting divisions? When he meets the Foreign Ministers, will he firmly express the concern on both sides of this House and in the country over the Washington Administration's attitude towards the SALT 2 treaty, and will he firmly register the great concern in western Europe about that fact?

Sir Geoffrey Howe: As was made clear by my right hon. Friend the Prime Minister last week and in the discussions in Halifax at the North Atlantic Council, the Government, together with the other Governments of western Europe, attach importance to continued compliance with SALT 2 on both sides. It was for that reason that we welcomed the announcement by the President that he was disposing of the submarines in compliance with that treaty and expressed the hope that the Soviet Union would respond as necessary to enable the treaty to continue to be observed and complied with on both sides.

Mr. Healey: Will the Foreign Secretary inform the United State Secretary of State that the units of the Alliance can be weakened only when the American Administration vetoes an agreement on human contacts which has already been reached by his own officials and by all European members at the Berne conference, and when President Reagan threatens to violate the SALT 2 restrictions on armaments after all his allies explicitly advised him not to when asked for their opinion a few weeks earlier? Does he not agree that the SALT 2 agreement and the abortive agreement on human contacts are precisely the sort of balanced agreements that the hon. Member for Darlington (Mr. Fallon) claims to want and which I pressed for when I was in Moscow the other day?

Sir Geoffrey Howe: I do not doubt the importance of seeking to achieve agreement, if possible, in the course of meetings such as the Berne meeting on human contacts. It must be a matter of regret that it was not possible to reach agreement along the lines originally foreshadowed.

One must take a slightly different view of the SALT 2 agreement by saying that it is surely right to welcome the decision of the United States to stay within the SALT 2 constraints by breaking up the Poseidon submarines, before going on—as I certainly do—to express the hope that it will continue to stay within the SALT 2 constraints to which the United Kingdom attaches importance and on which our views have been made very clear to the United States.

UN Expenditure

3. **Mr. Phillip Oppenheim** asked the Secretary of State for Foreign and Commonwealth Affairs if he has held discussions recently with Senor Perez de Cuellar concerning United Nations expenditure in 1986; and if he will make a statement.

Mr. Eggar: My right hon. and learned Friend raised the question of United Nations finances with the Secretary-General during his official visit to this country from 13 to 15 May. He emphasised the need for a sustained effort to achieve economies and recalled our own record of paying our contributions promptly and in full.

Mr. Oppenheim: At a time when the United Nations faces its worst financial crisis in its history, how can the continued publication of the controversial PINS — political information news service — report be justified when it costs almost £1 million a year?

Mr. Eggar: I am sure that these and other aspects of information will be examined both by the Secretary-General in his continuing efforts to reduce expenditure within his control and by the Group of 18, which is looking at the longer term implications for United Nations finances.

Mr. Tom Clarke: Does the Minister accept that if the United Nations did not exist it would be necessary to invent it? Does he also accept that such flaws as there may be mirror an imperfect world and that, while we seek to improve it, we ought to condemn irresponsible comments, which do nothing but harm to an outstanding international body?

Mr. Eggar: Her Majesty's Government are, of course, committed to continued membership of and activity in the United Nations both as an ordinary member and as a member of the Security Council.

As regards finances, the hon. Gentleman must be aware that it cannot be right for the 106 lowest contributing countries, which in total pay 1·83 per cent. of the budget, to force through a budget against the overwhelming view of the major contributors, which, beween them, pay about 70 per cent. of the budget. Reform is necessary.

Mr. Beaumont-Dark: Does my hon. Friend agree that the United Nations could increase its reputation and its finances by releasing the records of 40,000 Nazi criminals, which are hidden in its vaults? Does he also agree that it is slow to do that because of the proper implication of an ex-Secretary-General of the United Nations? Is it not time that all these records were revealed so that this evil can be cleared up one way or the other?

Mr. Eggar: As my right hon. Friend the Prime Minister told the right hon. Member for Manchester, Wythenshawe (Mr. Morris) on 19 May, it would not be appropriate for us to consider seeking from the United Nations copies of documents relating to Dr. Waldheim's wartime activities before the Ministry of Defence search of military records is complete.

Mr. Foulkes: I welcome the Minister's commitment to Britain's continued membership of the United Nations, but will he confirm that the Government totally reject all the calls from the Right wing in his party and in some of the media, inspired again by the Heritage Foundation, to follow withdrawal from UNESCO by withdrawal from some of the other agencies of the United Nations? Will the Minister today pay a tribute to the United Nations and its agencies for the excellent work that it has done in its lifetime for peace and development in the world?

Mr. Eggar: Developments within UNESCO over the past few months have served to confirm the wisdom of our decision to withdraw at the end of last year. There has been no evidence recently of movement towards a central reform within UNESCO. In relation to the UN system as a whole, of course we are committed to continued membership.

Pakistan (Drug Trafficking)

4. **Mr. Spencer** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on what action is being taken jointly with the Government of Pakistan to control drug trafficking.

Mr. Eggar: We share with the Government of Pakistan a firm commitment to tackle the problem of drug production, trafficking and abuse. We have close and effective co-operation in many aspects of drug enforcement, through Customs and other channels. Over recent years Pakistan has been the main recipient of our drugs-related assistance worldwide.

Mr. Spencer: Can my hon. Friend confirm the efficacy of the co-operation between the two countries in bringing to book people engaged in this vile trade? Can he tell the House whether there are yet stationed in Pakistan, as in some other countries, representatives of British Customs and Excise? If not, will he work towards that end?

Mr. Eggar: I can indeed assure my hon. and learned Friend of the considerable efforts that the Pakistan Government, from the highest level downwards, are taking to eradicate drug production and trading. Officials from British Customs have been in Pakistan for some considerable time.

Mr. Corbett: Has the Minister seen reports today of a warning by Mr. Colin Hewitt, the co-ordinator of the national drugs intelligence unit, that the drug abuse problem is worsening? Against that background, and given the regrettably leading role which evil men in Pakistan play in the continuation of this vile trade, may we have an assurance that we will redouble our efforts and pressure on the Pakistan Government to shut down the supply routes?

Mr. Eggar: We are deeply concerned about the increasing problems of drug abuse within the United Kingdom, and worldwide. We do not need to put such pressure on Pakistan, because the Pakistan Government, of their own volition and with our assistance, are taking considerable measures throughout the country to assist in cutting down the growth of the heroin trade in particular.

Mr. Rathbone: Can my hon. Friend confirm the Government's success in placing Customs officers in India, through which almost all of the Pakistani drugs products are smuggled on their way to this country?

Mr. Eggar: As my right hon. and learned Friend told the Select Committee on Home Affairs on 4 June, following his discussion with Mr. Gandhi, the Government of India have agreed in principle to our proposal to post drugs liaison officers in New Delhi and Bombay. In passing, I pay tribute to my hon. Friend for his work in drawing attention to the problems of drug abuse in this country. Administrative arrangements are now in train with a view to early postings of the drugs liaison officers.

Mr. Anderson: Can the Minister say exactly when the two drugs liaison officers for New Delhi and Bombay will be in post? Do the Government accept the view of the Drug Enforcement Agency in the USA that many of the drugs going into Pakistan and out through Bombay come via Afghanistan and refugees who use heroin as a currency for arms? If the Government accept that, was that matter raised when the Prime Minister welcomed Mr. Abdul Haq, the Afghani rebel leader, earlier this year?

Mr. Eggar: We are discussing with the Government of India the precise arrangements for the posting of the two drugs liaison officers. We have identified those officers and we hope to have them in post in the near future.

There is some evidence that some of the drugs that reach the United Kingdom are of Afghan origin. Obviously we are doing what we can, through our co-operation with the Government of India and now with Pakistan, to stop the flow of drugs from Afghanistan. However, our ability to act within Afghanistan is extremely limited, as the hon. Gentleman must be aware.

United Nations Special Session on Africa

6. **Mr. Burt** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his visit to the United Nations Special Session on Africa.

Sir Geoffrey Howe: I was glad to be able to attend the United Nations Special Session on Africa. Her Majesty's Government greatly welcome its positive outcome. The final resolution, adopted by consesus, represents a commitment by all concerned to work together for sustained economic development based on realistic policies.

Mr. Burt: I thank my right hon. and learned Friend for that statement. May I offer him the pleasant duty, I hope, of sharing with the House the general satisfaction with the award given yesterday to Mr. Bob Geldof?

Can my right hon. and learned Friend reassure the nation that the patient and generous work carried out by this country over many years on overseas development will continue, whether or not the public conscience has been stirred, with the general aim of improving the conditions of life for all Africans?

Sir Geoffrey Howe: I am glad to acknowledge the importance of both the points made by my hon. Friend and to commend the fact that the total British aid going to Africa through bilateral and multilateral channels has increased from £447 million in 1982 to about £570 million in 1985. That is in addition to the substantial measures taken by way of cancellation of aid debts and support for the International Development Agency programme.

Perhaps the most encouraging aspect is the extent to which the report approved by the General Assembly last week stresses so strongly the acknowledgement by the African Governments of the importance of the positive role of the private sector in the development of Africa.

Mr. Cambell-Savours: What is the Foreign Secretary's response to the comments of Sir Robert Geldof, who described the right hon. and learned Gentleman's speech at the United Nations illustrating Britain's position on help for those in need in Africa as a lot of old crap?—*[Interruption.]*

Mr. Speaker: Order. I know that Mr. Geldof said that, but it is not a very elegant word to use in this Chamber.

Sir Geoffrey Howe: I regard the use of such language by Mr. Geldof as unhelpful, just as it is even more unhelpful on the part of the hon. Gentleman. It is only one aspect of the character of Mr. Geldof that has made him widely admired around the world for the part that he has played.

Mr. Wilkinson: Has my right hon. and learned Friend had contacts with Mr. Bradford Morse, the head of the Special Programme for Africa in the United Nations, or the United Nations High Commissioner for Refugees, about the large influx of refugees into Somalia owing to the intolerable programme by the Ethiopian authorities of corralling people into special villages?

Sir Geoffrey Howe: That is one of the matters that my right hon. Friend the Minister for Overseas Development has constantly in mind in the contacts that he has in that area.

Soviet Union (Human Contacts)

7. **Mr. Lawrence** asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to meet the Soviet Foreign Minister; and whether he will raise the issue of human contacts in the light of the discussions at the conference on security and co-operation in Europe in Berne.

The Minister of State, Foreign and Commonwealth Office (Mr. Tim Renton): We hope that Mr. Shevardnadze will be able to visit the United Kingdom in the near future. My right hon. and learned Friend has raised issues of human contacts and human rights with the Soviet Foreign Minister in the past and will continue to do so. These issues were also raised during the recent visit to the USSR of the Inter-Parliamentary Union delegation led by my noble Friend the Lord President.

Mr. Lawrence: Is my hon. Friend aware that the Soviet authorities still refuse to allow thousands of Jews who have applied to leave the Soviet Union to join their families to do so? Is he further aware that in the past week yet another Hebrew teacher — Aleksy Magarik — has been sentenced to three years in a labour camp following the finding of 6g of cannabis which was planted in his luggage? Does my hon. Friend agree that if the Soviet authorities think they can blatantly disregard their solemnly entered into international undertakings on human rights and still convince the West that if they enter into solemn and binding undertakings for arms reduction it will believe them, they had better think again?

Mr. Renton: I agree with what my hon. and learned Friend has said. It is true that the Soviet Union's record on permitting Jewish emigration is unsatisfactory and that there are no signs of it improving this year. At the CSCE in Berne it was quite clear that Soviet Jewry was a great stumbling block, in that the Soviet delegation was anxious to avoid any recommendations that had a direct bearing on Jewish emigration. At the same time, the West made it clear that it would not agree to a final document which excluded Soviet Jews.

Mr. Beith: Will the Minister follow up the efforts made by the delegation in Moscow to convince the Soviet leadership that concern for civil rights and the rights of religious groups, Christians as well as Jews, is not a propaganda issue so far as the West is concerned, but an issue of real concern to many citizens in the democratic West? Will he take the opportunity to try to convince the Soviet leadership that it would be in its interests to improve its record on that matter?

Mr. Renton: Yes. We have done so many times, and we shall continue to do so. It is obviously right that the question of human rights is an integral part of implementing the Helsinki final act. It is tragic that I often hear praise from the East for the value of the Helsinki accord, but at the same time we see every chapter being flouted by it.

Mr. Marlow: My hon. Friend and the House are rightly concerned for the human rights of Jews as for everybody else. Will he point out to the Israeli Defence Minister that it would be more helpful to the human rights of Israelis if they were concerned for the democracy of Arabs as well as for Jews?

Mr. Renton: On many occasions we have made it plain to the Israeli Government that we wish to see a total withdrawal from southern Lebanon, where the rights of a number of Palestinians are being badly thwarted. My right hon. Friend the Prime Minister, when she was in Israel recently, raised strongly with the Israeli Prime Minister the lack of rights of Palestinians in the occupied territories.

Mr. Janner: To revert to the original question, may I thank the Government for their steps to keep this matter before the Soviet Government. I thank also the all-party delegation that went to Moscow. Will the Government please continue to press for the release of people such as Ida Nudel, Alexander Vladimar Slepak, Alexander Lerner and other winners of the annual award of the all-party parliamentary committee for the release of Soviet Jewry? Will the Government say how much we care about these people and their right — which has not been granted — to leave the Soviet Union in accordance with the Soviet Union's constitution and the Universal Declaration on Human Rights?

Mr. Renton: I very much agree with the hon. and learned Gentleman's thanks to the parliamentary delegation that recently went to Moscow for the manner in which it raised the subject of human rights with Mr. Gromyko and Mr. Gorbachev. Clearly the delegation took every opportunity to raise the subject of those distressing cases. We shall continue to raise not only the cases mentioned by the hon. and learned Gentleman but the split family cases, which concern British citizens in this country. As in the past, we shall continue to do that at every possible opportunity.

Mr. George Robertson: Will the hon. Gentleman accept that the Opposition believe as strongly as he does in civil and human rights, whether in Eastern bloc countries or any Western country? Does he agree that the unilateral vetoing by the United States and other member states of the CSCE — the Helsinki group — of an agreement in Berne which would have positively improved the ability of people to leave the Soviet Union does little or nothing to help the cause of those in the Soviet Union or other countries who saw the light at the end of the tunnel being denied by the impromptu action of the United States Government?

Mr. Renton: I note what the hon. Gentleman has said. The United Kingdom delegation was prepared to give its agreement to a document which was, in effect, a

compromise reached at the end of the Berne meeting. In fairness, it must be said that the view of the United States delegation was that the recommendations in the compromise document did not go far enough, given the Soviet failure to comply with existing commitments. In some cases the United States delegation thought that the compromise document was a step backwards from the commitments made in the Helsinki final act. On that basis, there was no agreement on the document.

African National Congress

8. **Mr. Skinner** asked the Secretary of State for Foreign and Commonwealth Affairs when and where Government officials will next meet the African National Congress.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): As my right hon. and learned Friend told the House on 9 April, contacts between officials and the ANC are continuing as appropriate. The central purpose of such contact is to bring home to the ANC the importance of a suspension of violence on all sides in South Africa in order to promote a constructive dialogue.

Mr. Skinner: Now that the Eminent Persons Group has been bombed out of South Africa by the Botha regime's actions a few weeks ago against three Commonwealth countries, why do not the Government, when they sit down at ministerial level with the ANC—as they should do—call for an unconditional amnesty for Mandela and take a lead on economic sanctions against that unhappy country to stop all the bloodshed and suffering?

Mrs. Chalker: We have unreservedly condemned the raids on the capitals of the three independent Commonwealth countries, especially at a time when the Eminent Persons Group was making progress. We have called for the consideration of dialogue among all parties. It is not for me this afternoon, before publication of the report of the Commonwealth Eminent Persons Group, to make any comments on it. We shall consider the report with the utmost care.

Mr. Campbell-Savours: Apathy.

Mrs. Chalker: There is certainly no apathy in the Government's response.

Mr. Jackson: Does my hon. Friend recognise that the ANC is the oldest political party in South Africa, that it will play a crucial part in the country's future and that it is important that Britain should be in a better position to influence its thinking?

Mrs. Chalker: We have had official-level contacts where appropriate to be in a better position to influence the ANC's thinking. One feature of the ANC is that, although it is made up of people with many different views, if the Communists take it over, Nationalists will be denied the means of political expression. That is why we have called for an end to apartheid. That is why we have supported the work of the Eminent Persons Group, which has gone on so thoroughly over six months.

Mr. Maclennan: Does the Minister agree that in order to promote dialogue between members of the ANC and the authorities in Pretoria the Government should contemplate introducing a ban on commercial air flights to South Africa and should co-ordinate action on that front with other members of the Commonwealth and European Community?

Mrs. Chalker: In our contacts with the ANC and the South African Government we have always sought to bring home to them the fact that continuation of the policies that deny rights to black South Africans, including the lack of freedom for Nelson Mandela, are to be abhorred. Specific bans, such as the hon. Gentleman mentioned, are for consideration in the light of the report of the eminent persons group. We have not committed ourselves and will not do so until the report has been published. It will be published tomorrow and it then needs to be considered, as has been agreed, between the Heads of Government, at the beginning of August.

Mr. Winnick: Is it not a fact that the Eminent Persons Group has come to the conclusion that there is no alternative, in view of what is happening in South Africa, but to apply sanctions? When will the British Government realise that it is not good enough to say that we are against apartheid, and could instead recognise that effective actions must be taken to persuade the South African Government to act in the direction that the majority of hon. Members, including a number of Conservative Members, want? There must be fundamental changes in South Africa, and the longer that is delayed the more bloodshed and tragedy there will be in that country.

Mrs. Chalker: As I and my right hon. and learned Friend the Secretary of State have said on many occasions, we have consistently condemned all the things that the hon. Gentleman has condemned. We have also said that we have argued against collective economic boycotts and things of that kind because experience has shown that they do not work. The question whether any further measures can be taken, in addition to those measures that the United Kingdom has already implemented over the years, has to be considered in the light of experience and of the report. We do not yet have the report.

Mr. Soames: Is my hon. Friend aware that the imposition of sanctions is likely to produce more bloodshed and more anger? In the townships of Uitenhage and New London unemployment is already running at 50 per cent. What possible advantage could accrue to those we wish to help by the imposition of sanctions?

Mrs. Chalker: There is no doubt that there are many views on that subject. We certainly know that sanctions as applied in the past have not given a clear outcome. We wanted to ensure, and continue to do so, that the actions we have taken, such as the arms embargo, the Gleneagles agreement, the European Community measures decided at Luxembourg, the Nassau measures and the stepping up of our own policy work. Those things do work and we should consider only measures that will work. Otherwise, as my hon. Friend said, we shall worsen the situation still further.

Mr. Anderson: When we take over the presidency of the EEC Council of Ministers on 1 July, will we still maintain an objection in principle to meeting the ANC at ministerial level, although we have agreed that other Presidents of the EEC Council should meet them? If we do so will not the British public and our allies not conclude that we are prepared only to engage constructively in dialogue with white South Africans and are not prepared constructively to engage in dialogue with black South Africans?

Mrs. Chalker: The hon. Gentleman's last remark is absolute nonsense. Of course we are prepared constructively to engage in dialogue with black South Africans. We have been working behind the scenes for a dialogue between all the peoples of South Africa and that is what the Commonwealth Eminent Persons Group has worked so hard for. When we take up the presidency of the European Community we shall consider the measures that need to be taken at that time. I am sure that the discussion will go along such lines.

Mr. John Carlisle: Does my hon. Friend agree that the EPG's failure is partly because the Commonwealth Secretariat and its director general have been hand in hand with the ANC, which has no intention of pursuing peaceful reform in South Africa? Will she accept that the Government have no business discussing such matters with terrorists and that she would be better spending her time talking to moderate black leaders in South Africa, such as Chief Buthelezi?

Mrs. Chalker: The earlier part of my hon. Friend's supplementary question was wrong. We shall talk with the full range of black leaders in South Africa, and the best way of doing that must be left to the Government to decide.

Central America

9. **Miss Boothroyd** asked the Secretary of State for Foreign and Commonwealth Affairs what further discussions are planned by the European Community Foreign Ministers concerning the situation in Central America; and if he will make a statement.

Mr. Eggar: There is regular discussion of Central America within European political co-operation. The 12 have acted five times this year to support the Contadora peace process, most recently before the Esquipulas summit of the five Central American Presidents on 24-25 May, when the 12 called for prompt signature and implementation of a comprehensive and verifiable agreement. The next meeting of Foreign Ministers is on 16-17 June.

Miss Boothroyd: May I urge the Secretary of State to use his forthcoming presidency of the Council to persuade the Community to speak with one voice in seeking the withdrawal of American funding of the Contras? Does he agree that the continued funding of the Contras' regime by the Americans is the greatest single obstacle to the signing of a peace treaty with the Contadoras?

Mr. Eggar: The United States Government have reaffirmed their support for a comprehensive, viable and simultaneous settlement that would answer all the 21 Contadora objectives. They did that on 22 May. We hope very much that Nicaragua will negotiate seriously to reach such an agreement.

Mr. Deakins: Can the Minister tell us one thing that has changed in Central America as a result of co-ordinated action by the member states of the EEC on this issue? Can he say whether, during our presidency, we shall be leading the EEC in opposition to a decision that is likely to be taken this year by the House of Representatives in favour of military aid to the Contras?

Mr. Eggar: The solution to the problems of Central America rest with the Contadora countries and the Latin America support group. Our role within the EEC, as President of the EEC and as the United Kingdom Government, is to support peace processes, and we shall continue to do so.

Mr. Foulkes: Will the Minister answer the key question? As the Government are on record as condemning all state-sponsored terrorism, will they condemn the United States Government for their sponsorship — state sponsorship — of the Contra terrorists in Nicaragua?

Mr. Eggar: As usual, the hon. Gentleman goes right over the top. The Government have consistently advocated negotiations rather than violence. We have advocated a balanced approach rather than the one-sided rhetoric that comes from Opposition Members. We believe that there should be a comprehensive solution to comprehensive problems.

Mr. Beith: If Nicaragua signs the proposals put forward by its neighbours and there is no change in the attitude of the United States, what will European Ministers do?

Mr. Eggar: The United States Government have stated clearly that they support the Contadora process. If Nicaragua signs an agreement, presumably the United States Government will support the agreement.

Afghanistan

10. **Mr. Gregory** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment his Department has made of the prospects for peace in Afghanistan, following the emergence of a new leader of the Communist regime in Kabul.

Sir Geoffrey Howe: This change of leadership in Afghanistan does not of itself improve prospects for peace. The only way to make progress is for the Soviet Union to withdraw all its troops, in accordance with successive United Nations resolutions.

Mr. Gregory: Does my right hon. and learned Friend accept that the appointment of the former head of the secret police as the leader of Afghanistan—a man who carried out an atrocious campaign of slavish acceptance of the Moscow line — will not be conducive to an acceptance of the present regime? Does he agree that the mere presence of over 100,000 Soviet troops in Afghanistan, which has led to tens of thousands of deaths and over 3 million refugees, should be of greater interest to the British Labour party than the anti-Western views that it pursues?

Sir Geoffrey Howe: I entirely agree with my hon. Friend the appointment of a former head of the Afghan secret police who so ruthlessly prosecuted the polices of the regime does nothing whatsoever to help the prospects of peace. He is even less acceptable to the Afghan people than his presecessor. It would be encouraging if the Opposition would devote half as much attention to the withdrawal of 118,000 Soviet troops from Afghanistan as they do to the question of Nicaragua.

Mr. Moynihan: Does my right hon. and learned Friend agree that no practical solution to the United Nations peace talks can be achieved without the involvement of the Mujahideen?

Sir Geoffrey Howe: It is certainly correct that any conclusion, which must involve the withdrawal of Soviet troops, must be acceptable to the Afghan people.

Chemical Weapons

11. **Mr. Heathcoat-Amory** asked the Secretary of State for Foreign and Commonwealth Affairs if there has been recent progress at the Geneva disarmament conference in negotiations on chemical weapons.

14. **Mrs. Virginia Bottomley** asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to discuss the Soviet capability in chemical weapons with a representative of the Soviet Government.

Mr. Renton: The conference on disarmament has been in recess since 25 April 1986 and resumed on 10 June. Progress so far this year has not been as rapid as we would have wished. My right hon. and learned Friend hopes to have a full exchange of views on a range of arms control issues, including chemical weapons, when the Soviet Foreign Minister, Mr. Shevardnadze visits London.

Mr. Heathcoat-Amory: Does my hon. Friend agree that an agreement to ban the production of these weapons without watertight verification would be useless? Will he press the Soviet Union to concede this inspection? Will he further stress that these awful weapons have already been used in the Iran-Iraq war? There is a danger of further proliferation without international agreement outlawing their production and deployment.

Mr. Renton: Yes, Sir. We hope to achieve a global verifiable ban on the production and stocking of chemical weapons. The question of verification is difficult, but we must try to make progress. The recent use of chemical weapons in Iraq demonstrates the danger of proliferation of these dreadful weapons.

Mrs. Bottomley: Is my hon. Friend aware that many people in this country supported the Government's decision to abandon our chemical warfare capability in the 1950s? Does he accept that there is now mounting anxiety over what we regard as the increasing chemical warfare capability of the Soviet Union? While I appreciate that no firm plans have been made for a meeting with the Soviet Foreign Minister, can outline what other contacts have been made with the Soviets on this important subject?

Mr. Renton: Yes. The stockpile of chemical weapons held by the Soviet Union, estimated at not less than 300,000 tonnes of nerve gas weapons, is a matter of serious concern. For that reason, and while we are awaiting Mr. Shevardnadze's visit, we are pleased that Mr. Issraelyan, the chief Soviet representative at the United Nations conference on disarmament in Geneva, is coming here shortly. We shall specifically discuss with him Soviet ideas about implementing a verifiable ban.

Mr. Dalyell: When Mr. Shevardnadze comes to this country, will the Minister arrange for Foreign Office officials, at senior level, to meet Mr. Julian Perry Robinson and his colleagues at Sussex university who are making a special study of these affairs?

Mr. Renton: I listened with interest to the hon. Gentleman's request. As Sussex university is on the edge of my constituency, I may have an opportunity to hear Mr. Perry Robinson's views. The hon. Gentleman should take comfort from what I have said. The visit of Ambassador Issraelyan, the chief Soviet representative at Geneva, will give us an opportunity to consider in great detail the degree to which we can move towards a verifiable regime on the key issue of challenge inspection.

Mr. Haynes: I wholeheartedly agree with the Minister about the banning of chemical weapons. When he gets into negotiations about chemical weapons in Geneva, will he first admit that we have chemical weapons within our shores, although that has been denied ever since I have been here?

Mr. Renton: I thank the hon. Gentleman for his early support, but I totally disagree with his latter statement. Britain gave up the production and stocking of chemical weapons in the late 1950s. There has been a complete ban on their production in the United States ever since the late 1960s, and it is only against that background that NATO has now agreed to new United States production of such weapons at the end of next year if there is not a total ban in force by them. That is the carrot for us all to move towards. We should get a total verifiable ban before the end of next year.

Mr. Churchill: Although I recognise that the Soviet Union alone has a large-scale and modern chemical weapon capability which has given NATO little choice but to establish a new force goal for the development of binary weapons by the United States, will my hon. Friend make it quite clear that we favour a dual-track approach and that we would infinitely prefer an all-out chemical weapons ban, with proper verification provisions, to going ahead, in the last resort, with the force goal?

Mr. Renton: Yes, Sir. I can give my hon. Friend that assurance. NATO has no wish for the renewed production of chemical weapons in the United States if the far better option of a verifiable global ban can be negotiated by that time.

Mr. George Robertson: Can the Minister confirm that it is not an agreement by NATO to the deployment of binary chemical weapons, but that NATO has only noted the force goal of the United States? It is important to get that precisely correct, as some NATO countries oppose the force goal. Is it not clear that the Soviet Union genuinely wants an agreement on chemical weapons, as was made clear, it is understood, in a reply from Mr. Gorbachev to the Prime Minister only last week? As it is now willing to consider on-site inspection of destruction of stocks and production facilities, surely Britain could use its forthcoming presidency of the Geneva talks on the subject to talk on behalf of the British people, and not on behalf of the American Administration, in seeking an agreement to ban these terrible and wholly unnecessary weapons.

Mr. Renton: The hon. Gentleman sees matters in a very topsy-turvy fashion. The United States has had a total ban on the production of these weapons for 17 years. It is against the background of a continuing Soviet stockpile of more than 300,000 tonnes of such weapons that NATO has agreed to the force goal of the United States. As for what the hon. Gentleman said about the Soviet attitude, in their recent offers the Soviets have agreed, for example, to examine some points of detail such as declaring chemical weapon production sites within 30 days and beginning dismantling within one year. We have no news at all from them on the key issue of challenge inspection.

That is the issue, among others, which we shall explore when Ambassador Issraelyan comes here shortly and, doubtless, when Foreign Minister Shevardnadze comes here later. That is the key issue to be resolved.

Mr. Viggers: Does my hon. Friend agree that our policy of deterrence and negotiation is far more likely to be successful than the pious and empty hopes of the so-called alliance commission, which announced today, in a press conference taking place now, that it hopes that chemical weapons will be the subject of reduction?

Mr. Skinner: Who said that, though?

Mr. Viggers: Not surprisingly, the press conference is taking place despite the ostentatious boycott of the leader of the Social Democratic party.

Mr. Renton: Yes, Sir. It is absolutely clear that the dual track position of NATO — [HON. MEMBERS: "Of the alliance."] — over intermediate nuclear weapons was effective in bringing the Soviets back to the negotiating table, leading to a possible ban, on a zero basis, on intermediate nuclear weapons. These days it is hard to understand where the other alliance stands on any defence issues, but out position is quite plain. We, and all other Western countries, will fight for a verifiable global ban on chemical weapons.

Sri Lanka

12. **Mr. Wareing** asked the Secretary of State for Foreign and Commonwealth Affairs when he last met the High Commissioner of Sri Lanka; and what subjects he discussed with him.

Mr. Eggar: My right hon. and learned Friend the Foreign Secretary has met the Sri Lankan high commissioner on a number of occasions, most recently on 18 March when the high commissioner called on him, accompanied by the Sri Lankan Minister of Foreign Affairs, the hon. Mr. Hameed.

Mr. Wareing: Does the Minister agree that it is a matter for great sorrow that that Commonwealth country should be ravaged by communal violence? If support is not given to Mr. Rajiv Gandhi's peace initiative, there is a great danger that both communities will be dominated by their own extremists. As the communities in Ceylon inherited that division from the days of British imperialism, could not the British Government play a role in spearheading a Commonwealth initiative to back Rajiv Gandhi in order to bring together those two communities?

Mr. Eggar: I thank the hon. Gentleman for the way in which he analysed the situation in the first part of his question. We deplore the continuing violence in Sri Lanka. We acknowledge Mr Gandhi's valuable and positive role in encouraging direct talks between the Sri Lankan Government and Tamil representatives. We shall support any efforts that are aimed at furthering the peace process. However, we believe that India has a crucial role in this whole area. We would be prepared to do whatever we can to support that role.

Mr. Sims: Is my hon. Friend aware that many hon. Members are friends of Sri Lanka and its people and would like to convey to them our distress at the continuing violence and, in particular, our sympathy over the outrage that has been reported today? May I warmly endorse the views expressed by the hon. Member for Liverpool, West Derby (Mr. Wareing), and point out that the Indian Government have sought to effect a reconciliation for 12 months, without any success? Both communities hold the United Kingdom in high regard. Is not the time ripe for the British Government to take a positive initiative in effecting a reconciliation?

Mr. Eggar: I thank my hon. Friend for his remarks, and I shall ensure that his, and those of the hon. Member for Liverpool, West Derby (Mr. Wareing), are drawn to the attention of the Sri Lankan high commissioner. We continue to believe that we should assist the Indian Government in any way felt appropriate and should keep in close touch with the Sri Lankan Government.

Mr. Corbyn: Does the Minister accept that the origin of many of Sri Lanka's problems lies in the continual exclusion of the Tamil people from Government and other constitutional processes? Does he further accept that his concern to achieve peace in Sri Lanka would be far more credible if the British Government stopped supplying the Sri Lankan Government with arms, which have been used to kill Tamil people, and withdrew any training facilities offered to the Sri Lankan armed forces in this country? That would be one way of showing that he was determined to achieve peace in that country instead of escalating the communal violence.

Mr. Eggar: May I first say how pleased I am to see the hon. Gentleman participating in the democratic process rather than demonstrating on the streets——

Hon. Members: Withdraw.

Mr. Speaker: Order. Every hon. Member must take responsibility for what he says.

Hon. Members: Withdraw.

Mr. Eggar: I have no intention of withdrawing. I do not see that I have anything to withdraw. I welcomed the hon. Gentleman back to the House.

The hon. Gentleman put a peculiarly one-sided analysis of the problem in Sri Lanka in distinct contradiction to the view of the hon. Member for Liverpool, West Derby. I stress that no serving British military personnel are engaged in training in Sri Lanka.

South Africa

13. **Mr. Tom Cox** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy, as President of the European Economic Community Council, to initiate a review of relations between member states and South Africa; and if he will make a statement.

Sir Geoffrey Howe: The Foreign Ministers of the 12 regularly discuss the situation in South Africa at their meetings. The next such meeting will take place on 16 June. Foreign Ministers of the 12 will continue to meet to review policy during the British Presidency.

Mr. Cox: Is the Foreign Secretary aware that he, as the President of the EEC Council, will have enormous influence on the attitude of the other 11 members? As the situation worsens week by week in South Africa, and in view of the comments on the attitude of South Africa by the Eminent Persons Group, what else has to happen in that country before the Government start to give decisive

leadership against the actions and attitudes of the South African Government? Are we for ever to be making excuses? Are we for ever to be dragging our feet? When will we give some leadership?

Sir Geoffrey Howe: The Government have condemned the apartheid system without reservation and have made it plain that it ought to go and go as quickly as possible. It is to that end that we have supported the work of the Commonwealth Eminent Persons Group, whose report is now in our hands and will be considered. When the EC Foreign Ministers met the front-line states in February this year they made it clear that that group's report deserves consideration by them as well.

Mr. Adley: As my right hon. and learned Friend's presidency will, as he has just said, coincide with the publication of the Eminent Persons Group's report, will he give himself the priority of doing his best to align the policies of the EEC, the Commonwealth and Her Majesty's Government.

Sir Geoffrey Howe: As my hon. Friend will have noticed, the positions adopted by the Community at Luxembourg last September, and subsequently by the Commonwealth in the following month, were closely in line with each other.

Mr. Healey: Now that the Commonwealth Eminent Persons Group has reported that no progress is likely to be made towards a peaceful settlement in South Africa unless the external powers impose new sanctions on the Botha regime, will the Foreign Secretary persuade the Prime Minister to abandon her pig-headed opposition to sanctions, which has identified Britain as the only protector of apartheid in the outside world, has split the European Community and now threatens to break up the Commonwealth?

Sir Geoffrey Howe: The right hon. Gentleman's comment is characteristically inaccurate. The European Community's position has been the common position since September last year. The Commonwealth's position has been the common position since last October. It is important that full and careful consideration should now be given to the report of the Commonwealth Eminent Persons Group. We all share the common aim of bringing about an early end to apartheid in South Africa and, if possible, of achieving that without violence through a process of dialogue.

Mr. Dalyell: On a point of order, Mr. Speaker. In a week when the luck of the ballot gave Ministers an opportunity to answer questions legitimately put by a Select Committee of the House—the Select Committee on Foreign Affairs—is it tactful for the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Enfield, North (Mr. Eggar), to lecture my hon. Friend the Member for Islington, North (Mr. Corbyn) on the democratic process?

Mr. Speaker: Order. I have already made a comment about that. It is not a matter for me.

Later——

Mr. Corbyn: Further to that point of order, Mr. Speaker. Is it in order for a Minister, when answering a question in the House, to suggest that Members of Parliament who take part in demonstrations outside the House on matters about which they feel strongly are acting in an undemocratic manner? Is it not the case that democracy means that people have a right to speak freely in the House and also a right to speak freely and to demonstrate outside the House on matters about which they feel strongly?

Mr. Speaker: I am not responsible for what the hon. Member for Islington, North (Mr. Corbyn), does outside the House. It is perfectly in order for him to demonstrate if that is what he wishes to do. Every hon. Member takes responsibility for what he says in the House.

Mr. Marlow: Further to that point of order, Mr. Speaker.

Mr. Speaker: Will it help?

Mr. Marlow: Could you confirm to the hon. Gentleman in case he is in any doubt, that although any hon. Member is entitled to demonstrate and speak freely, he is not entitled to break the law?

Mr. Speaker: Order. That goes for all our citizens.

Mr. Bowen Wells: On a point of order, Mr. Speaker. Will you confirm that Question Time had been completed by the time you permitted a point of order to be raised by the hon. Member for Linlithgow (Mr. Dalyell)?

Mr. Speaker: Today Question Time ran slightly over to 3.31 pm

Mr. Wareing: Further to that point of order, Mr. Speaker. Is it in order for the hon. Member for Northampton, North (Mr. Marlow) to imply that by taking part in demonstrations my hon. Friend the Member for Islington, North (Mr. Corbyn) has been involved in illegal activities? I understand——

Mr. Speaker: Order. I have already dealt with that matter.

Mr. Corbyn *rose*——

Mr. Speaker: Further interventions do not help. I have given the hon. Gentleman my protection. What else does he want?

Mr. Corbyn: I am deeply grateful for your protection of democratic rights inside and outside the House, Mr. Speaker. I am sure you would also like it to be placed correctly on the record—because the hon. Member for Northampton, North (Mr. Marlow) obviously reads the headlines, not the stories—that I have not been charged with any offence arising from any actions that took place outside the Old Bailey on Monday morning.

Mr. Speaker: Order. Let us get on with something that is my responsibility.

Mr. Frank Cousins

3.33 pm

Mr. Tony Benn (Chesterfield): I hope that it will be in order, Mr. Speaker, briefly to place on record the sense of sadness that many hon. Members will feel at the death this morning near Chesterfield of a former Member of Parliament and Minister, the Right Hon. Frank Cousins, who was a distinguished member of the trade union movement and a warm and kindly man whose loss will be sadly regretted by those who knew him and worked with him.

Hon. Members: Hear, hear.

Crossbows (Restrictions)

3.36 pm

Mr. Don Dixon (Jarrow): I beg to move,

That leave be given to bring in a Bill to restrict the sale of crossbows and make their sale to minors a punishable offence.

I appreciate that this issue has been raised many times by hon. Members on both sides of the House. Indeed, I pay tribute to the hon. Member for Plymouth, Drake (Miss Fookes), who has been foremost in the fight to have something done about these weapons.

The matter was drawn vividly to my attention last August when a constituent, Mr. Richard Docherty, brought to my office in Jarrow a crossbow which had been bought in a hobby shop in South Shields by his 15-year-old brother, Adrian. On seeing it, Mr. Docherty immediately took the weapon from his brother and tried it out in the garden. From 15 yards the steel arrow penetrated a piece of wood to the depth of 1 in, which is easily enough to kill a person at that range.

The weapon was manufactured by Barnett International of Wolverhampton, and it claimed on the package to be the most powerful crossbow manufactured in the world. This lethal weapon—I cannot describe it otherwise—had been sold in a hobby shop to a 15-year-old boy.

On 5 September 1985 I wrote to the Home Secretary, drawing his attention to this alarming and dangerous position which, in my opinion, could lead to fatal accidents, and urging him to take immediate action. On 30 September I received a reply from the Minister of State, who pointed out that the Prevention of Crime Act 1955 makes it an offence to possess any offensive weapon, including a bow or crossbow, without lawful authority or reasonable excuse. He went on to say:

"Our view, which is shared by the Association of Chief Police Officers, is that bows and arrows do not present the same danger to the public as firearms, and that given the extensive restrictions that already are in use, we would not be justified in imposing on the police the substantial extra work load of further controls such as a licensing system would entail."

However, at the end of the letter the Minister said:

"This is an important matter which we shall keep under review, in consultation with the Association of Chief Police Officers."

An article appeared in the *Sunday Sun* which is a newspaper covering the northern region, spearheading a campaign to have something done about the sale and use of crossbows. It was a constructive article written by the news editor Alistair Baker. The so-called independent review funded by Barnett International, the main manufacturer of crossbows, says:

"Calls for crossbow legislation have been made at frequent intervals. Many originate with newspapers and are based on highly emotional and often irrational statements which have little or no basis in fact. Others originate from Members of Parliament."

That is an insult to every hon. Member who has had representations from constituents.

Since the article in the *Sunday Sun* appeared I have had letters from many parts of the country citing incidents that have occurred. One of the letters said:

"Two policemen were attacked as they were getting out of the patrol car at Bracknell police station in Berks. One of the two bolts they dodged was fired with such force that it penetrated the station's concrete wall."

Another incident reported to me by letter was described as follows:

"A bolt was fired at an airliner. A Dan Air plane with 44 passengers was about 100 ft off the ground. The bolt penetrated a wing and ripped part of the fuselage."

Those are some of the incidents that have been reported to me and no doubt other hon. Members have received similar reports from their constituents.

On 20 February during Question Time I asked the Home Secretary about these dangerous weapons. He said:

"We are considering the matter carefully and urgently to see whether anything sensible can be done." — [*Official Report*, 20 February 1986; Vol. 92, c. 467.]

Early-day motion 638, tabled in March by the hon. Member for Drake drew the attention of the House to these dangerous weapons, and was signed by right hon. and hon. Members in all parts of the House.

I consulted my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), our home affairs spokesman, and gave him copies of my correspondence and copies of the minutes of the Northumbria police authority which had debated this problem after hearing about the incidents in our area. My right hon. Friend wrote to the Home Secretary and in the reply that he received on 16 April the Home Secretary said:

"Particular concern has been expressed recently about the mis-use of crossbows, and I accept that we should look at it again to see if anything further can sensibly be done to try and prevent these weapons falling into the wrong hands."

On 15 April the RSPCA wrote to the Home Office giving all the information it had on crossbow injuries to animals. It said that during the last five years over 100 cases of injuries and deaths were reported to animals and birds and that the numbers were increasing. On 6 May *The Mirror* had a full page article headed, "Menace of Weekend Rambos." In one part of the article the author talked about "death by mail order". The article said:

"Already crossbows are taking a terrible toll. They can kill a man at 100 yards and are being used by thugs to inflict shocking injury and death on people, domestic animals and wildlife. Police admit that under the present law they are powerless to curb private combat training and the spread of legally-held weapons."

I stress the phrase, "legally held weapons."

I am sure that other hon. Members have also had letters about the terrible incidents that are happening week after week. If something is not done quickly there will be not just one but many deaths. My Bill asks the Government to do something urgently. First, it asks that the use of crossbows should be licensed under the Use of Firearms Act 1968. Secondly, it would amend section 11(1) *(b)* of the Wildlife and Countryside Act 1981, to make it an offence to kill any animal with a crossbow and not just wild animals and birds. Thirdly, it would prohibit all mail order sales. Fourthly, it would prohibit sales to all but those over 17.

Something must be done immediately, because if the situation is allowed to go unchecked there will be serious consequences. I hope that the House will accept the Bill and give it a Second Reading.

Question put and agreed to.

Bill ordered to be brought in by Mr. Don Dixon, Mr. Frank Haynes, Miss Janet Fookes, Mr. Lawrence Cunliffe, Mr. Ron Davies, Mr. Ray Powell, Mr. Mark Fisher, Mr. Tony Banks, Dr. David Clark, Mr. Gregor MacKenzie, Mr. Robin Corbett and Mr. Mark Hughes.

CROSSBOWS (RESTRICTIONS) BILL

Mr. Don Dixon accordingly presented a Bill to restrict and control the sale of crossbows and make their sale to minors a punishable offence: And the same was read the First time; and ordered to be read a Second time upon 4 July and to be printed. [Bill 176].

Mr. Jeremy Corbyn (Islington, North): On a point of order, Mr. Speaker. Is it in order for the manufacturers of offensive weapons to send misleading information to hon. Members the day before my hon. Friend the Member for Jarrow (Mr. Dixon) introduced his ten-minute Bill? They sought to influence the debate without giving hon. Members a chance to check the information in a report sponsored by the manufacturers.

Mr. Speaker: I am not responsible for any representations that may be made from outside this place to hon. Members.

Social Security

3.45 pm

The Minister for Social Security (Mr. Tony Newton): I beg to move,

That the draft Social Security Benefits Up-rating Order 1986, which was laid before this House on 8th May, be approved.

I understand that it will be for the convenience of the House if we take with this order the four following motions and the prayer in the name of the Leader of the Opposition.

Hon. Members: "Aye."

Mr. Speaker: As that is the wish of the House, we shall be debating as well the following motions:

That the draft Supplementary Benefit Uprating Regulations 1986, which was laid before this House on 5th June, be approved.

That the draft Family Income Supplements (Computation) Regulations 1986, which was laid before this House on 8th May, be approved.

That the draft Child Benefit (Up-rating) Regulations 1986, which was laid before this House on 8th May, be approved.

That the draft Pensioners' Lump Sum Payments Order 1986, which was laid before this House on 8th May, be approved.

That an humble Address be presented to Her Majesty, praying that the Housing Benefits Amendment (No. 2) Regulations 1986 (S.I., 1986, No. 852), dated 14th May 1986, a copy of which was laid before this House on 16th May, be annulled.

Mr. Newton: These instruments, together with the regulations against which the prayer is made, put into effect the proposed uprating of social security benefits that was announced by my right hon. Friend the Secretary of State in the House on 24 February. They also provide for the payment of a £10 Christmas bonus and make a minor technical change to housing benefits that will ease the burden of administration on local authorities without affecting claimants. The social security benefits uprating order is accompanied by a report from the Government Actuary on the effects of our proposal on the national insurance fund. In accordance with his statutory requirements, my right hon. Friend the Secretary of State has also made a statement explaining the reasons behind the proposed uprating of mobility allowance.

I shall remind the House briefly of some of the main features of the proposed upratings, which are set out in full detail in the schedule published at the same time as my right hon. Friend's statement on 24 February. Most benefits, including retirement pension, widows' benefit and unemployment benefit, are going up by 1·1 per cent., which accurately represents the increase in prices between May 1985 and January 1986, which was the relevant period for this uprating. This means, for example, that a married couple's retirement pension goes up from £61·30 to £61·95, and that for a single person from £38·30 to £38·70 a week. The long-term rate of supplementary benefit and the housing benefit needs allowance will go up by the same cash amount as the relevant contributary benefit. Child benefit will go up by 1·4 per cent. from £7 to £7·10 a week, and mobility allowance will be increased in line with the retail price index to £21·65 a week. I make it clear that the increase in mobility allowance has come at a time when the cost of transport, which is one of the elements that needs to be taken into account, fell in the relevant period for the uprating.

As the House knows, one important feature of the uprating is that it covers a period of only eight months instead of the normal period of a year. This arises from our intention, which has been almost universally welcomed, to change the annual social security uprating cycle from November each yeat to April each year, so that the benefit year is brought into line with the tax and national insurance year and with the time at which local authority rent and rate alterations normally occur. When it is completed, this change will avoid a great deal of unnecessary confusion and difficulty to all concerned, not least, as many hon. Members will know from their postbags and advice bureaux, among pensioners who have suddenly found their tax codes adjusted in the middle of the tax year following the pension increase.

In this transitional year, that problem will be avoided by the provision that my right hon. Friend the Chancellor of the Exchequer has included in the Finance Bill, which means that the pension increase that the uprating order will bring about in July will not be subject to tax in the present tax year of 1986-87. Therefore, the pattern is this. Last November there was a normal annual uprating based on the measured increase in prices from May 1984 to May 1985. This July there will be a further uprating after only eight months, based on the rise in prices in the eight months from May 1985 to January 1986. In April 1987 there will be another uprating, again after only eight months, based on the increase in prices in the eight months from January 1986 to September 1986. Thereafter, there will be annual upratings in April each year. At every stage, pensioners are being compensated for the actual increase in prices that has taken place using the latest actual figures available when the uprating announcement has to be made in order to implement it on time.

It follows from what I have said that the 1.1 per cent. figure on which the present uprating is based, being related to price increases over eight months rather than 12, cannot be compared with annual rates of inflation, as some have sought to do. But as well as the shorter period involved, this figure undoubtedly reflects an achievement that of itself is of great importance to pensioners and other social security beneficaries — the Government's success in cutting back the rate of inflation.

If the hon. Member for Oldham, West (Mr. Meacher) is expecting me to apologise for this uprating, he has another think coming. Nothing in decades has done as much harm to pensioners as the inflationary surge created by the Labour policies of the 1970s. Nothing has been more important to the financial welfare of retired people than what the present Government have done to bring inflation to its lowest level for nearly 20 years, and nothing is more important to their long-term well-being than that this achievement of steadier prices should be maintained.

In a world of uncertainty I am willing to make two clear predictions. One is that if the hon. Member for Oldham, West were let loose to spend as he promises, we should have the inflation back. The other is that, when he comes to speak, we shall hear nothing whatever of the context in which these uprating orders should properly be placed.

Let me sum up this part of my speech by making six sinple points. First, pension and other increases come four months earlier than usual with this uprating. Secondly, when taken together with the increase last November, they mean that the pension for a married couple will be increased by £4·65 a week in less than a year. Thirdly, there will be another increase only months later, thus bringing

three increases in a period that would normally have seen only two. Fourthly, those increases come with greater price stability than we have seen for decades. Fifthly, they help to give us a more sensible framework for further increases in the future. Sixthly, they are fully in line with our firm and continuing commitment to maintain the pension's value.

With the forthcoming increase in July, the value of the pension will have increased by some 98·5 per cent. since the last uprating before the present Government came into office, and over the same period the rise in prices is expected to have been something around 92 per cent. There has therefore been a real increase in pensioners' purchasing power. In a period when the number of pensioners has itself risen by 850,000—from just over 8·5 million to just under 9·5 million—that is no mean achievement. On the contrary, it is one in which the Government can and do take pride.

Mr. Tony Marlow (Northampton, North): It might be helpful to reinforce the point that my hon. Friend made about inflation, given that the Labour Opposition seem to be bent on policies that will increase inflation yet again with devastating effects on elderly people. Do not a large number of elderly people save for their old age and retirement, and with the sort of policies that the Opposition have pursued in the past, and will wish to pursue in the future, we shall again have very heavy rates of inflation which will mean that year after year swathes of hard-earned savings will be taken from these people by such an uncaring Government?

Mr. Newton: My hon. Friend has emphasised the point in words more eloquent than I can command, and I can only agree with everything that he said.

Mr. Frank Field (Birkenhead): I do not want to tackle the Minister on changing the date of the general uprating and the effect that that must have if a series of upratings quickly follow each other. Clearly, the size of the increase will be much smaller than if it were to be done on an annual basis, and I believe that the Government have difficulty in convincing people that they are being generous and fair.

I expect that the Minister has seen the Child Poverty Action Group brief. The CPAG does not dispute the calculation for the eight-month period. However, it says that, given the dramatic fall in inflation during the period in which the calculations were made, a married pensioner couple on supplementary benefit will lose about £8·80 over the whole year—almost as much as the Christmas bonus. Do the Government intend to make that up by doubling the Christmas bonus this year?

Mr. Newton: I shall make two points, one rather aggressive and one more in tune with the way in which the hon. Member for Birkenhead (Mr. Field) put his argument. First, under the last Labour Government, pensioners twice lost their Christmas bonus, while this Government have written the Christmas bonus firmly into the law. Secondly, no doubt to my disadvantage, I have not so far been vouchsafed the brief and I am hesitant to be drawn into comment without seeing the basis on which the figures are calculated. As things turned out, because of the falling inflation rate the 7 per cent. increase in pensions last November was larger than the increase in inflation which proved to have taken place by November. The increase was related to the increase in prices over the year until May.

One can play games with statistics, but I am glad that the hon. Member for Birkenhead has acknowledged that the pension upratings have at every stage been firmly and fairly based on the measured increase in prices over a historic period at the latest date available to carry the upratings through.

Mr. Field: When the Minister is blessed with a copy of this brief, will he open conversations with outside parties as well as hon. Members on whether the Government have acted totally fairly in changing the dates for the upratings?

Mr. Newton: I shall of course undertake to look at the CPAG brief and to consider any points that arise from it. I shall now give way to the hon. Member from the housing benefit world.

Mr. Nick Raynsford (Fulham): I want to ask a question relating to the Minister's earlier remarks about the increase in the value of pensions in this Government's lifetime. What would be the pension value now if the increase in the pension had been related, as it was under the previous Labour Government, to the increase in earnings or inflation, whichever was the greater? By how much are pensioners now worse off because of that unlinking?

Mr. Newton: If I were to be drawn in that way I should want to give the figures for the increase in the national insurance contributions which would have to take place, the numbers of additional people who would be made unemployed as a result and the increase in inflation, which would create hardship for pensioners by a different route.

Dr. Norman A. Godman (Greenock and Port Glasgow): On the so-called well-being of pensioners, is the Minister satisfied with the way in which applications for exceptionally severe weather payments were made in Scotland and elsewhere?

Mr. Newton: The Department did all that it could to make clear the system for exceptionally severe weather payments and to process applications as efficiently as possible. There are a series of anxieties about the working of that regulation and the Government are reviewing the operation of the scheme to see what changes, if any, are required.

Dr. Godman: The Minister allowed my hon. Friend the Member for Birkenhead (Mr. Field) to put a supplementary question, and I should like to do the same. A goodly number of pensioners have already approached me about the circumstances surrounding the regulation for next winter. What is the probability of a change in the working of the regulation to deal with the very severe weather that we shall experience in Scotland next winter?

Mr. Newton: The hon. Gentleman's confidence in his weather forecasting is greater than mine and of forecasters generally. I hope that we shall not have a third successive winter like the last two. Whether or not we have a severe winter, we have made it clear that we are looking again at the regulation in the light of the two winters' experience, which was not entirely satisfactory. I cannot make a definite commitment about the outcome of our investigations, but I am aware of the anxieties which the hon. Gentleman has properly expressed on behalf of his constituents. I do not dismiss those anxieties.

Several Hon. Members *rose*—

Mr. Newton: This is a relatively short debate. Although, with my customary good nature, I am giving way to all and sundry, there must come a point at which I allow the hon. Member for Oldham, West to have his say—unpalatable though that will be to me.

Mr. Frank Field: When visiting our constituents, many of us have noticed that, because of the poor weather, they are still using their heating. Is it not during the summer months that many pensioners and families hope to make savings on their fuel bills towards their winter fuel bills? To what extent will the Government take that into account both when making changes in the weekly additions for heating and in their flexibility on severe weather payments?

Mr. Newton: If the hon. Gentleman is inviting me to go down a path whereby exceptionally severe weather payments are paid regularly throughout the year, I am sure that he will understand my hesitation in commenting too far. However, I note his point.

Several Hon. Members *rose*—

Mr. Newton: I think that perhaps one of my hon. Friends deserves an opportunity to intervene. I hope that he will ask a more helpful question.

Mr. Tony Favell (Stockport): Indeed, I have a helpful question. Is not the greatest help that we can give to old age pensioners for their fuel bills to hold down inflation and fuel bills—and, indeed, even reduce them—not only during hard weather in Scotland but throughout the year?

Mr. Newton: I very much agree with my hon. Friend. Indeed, during recent weeks it has been striking that there has been held out the possibility of lower fuel bills. I invite Opposition Members to cast back their minds to the last time that that happened.

I wish to make one general and one specific point before I sit down. The general point is that we have not, on this occasion, followed the practice of using different formulae for uprating the different main elements of the benefits system. In particular, the uprating of supplementary benefits has been kept in line with the cash increases in the relevant contributory benefits so as to minimise the problem of people being floated on and off supplementary benefit by tiny variations of a few pence between the supplementary benefit scale rates and the rates of other benefits received by supplementary beneficiaries.

I do not put that before the House in anything other than a spirit of pure pragmatism. We thought that with three upratings in 16 months it was sensible neither for claimants nor for the administration of the system to shuffle people on and off supplementary benefit on each occasion. For similar pragmatic reasons, the regulations do not provide for general changes in the additional amounts paid with supplementary benefits, but only for increases in the adult and children scale rates, the various personal expenses rates and the limited number of additional requirements, but including — this is very important—the higher rate of heating addition that goes to the very elderly, the severely disabled and those with homes that are especially difficult to heat. That heating addition is increased from £5·45 a week to £5·55 a week.

We have adopted a similar approach — this will interest the hon. Member for Fulham (Mr. Raynsford) —to housing benefit needs allowances, partly to avoid changes in other benefits triggering changes in housing benefit and partly because this year the timing of the uprating period meant that it was not possible to apply straightforwardly the normal housing benefit uprating formula, which is of such arcane complexity that I suspect that only the hon. Member for Fulham, to whom I pay full credit, is fully conversant with its ins and outs. However, I do not want that to be seen as an encouragement to him to deploy his expertise at length this afternoon—

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Major): Hear, hear.

Mr. Newton: It is obvious that my hon. Friend's enthusiasm for that prospect is even less than mine.

The arrangements set out in these uprating regulations represent what we believe to be a practical compromise that will cause the minimum of administrative problems for local authorities and beneficiaries alike.

My more specific point, which again is connected with housing benefit, relates to the Housing Benefits Amendment (No. 2) Regulations 1986, which contain some provisions apart from those that simply uprate the housing benefit needs allowances. Those other provisions relate to benefit periods—the period of time for which a housing benefit award is allowed to run before it has to be reviewed by the local authority.

The maximum benefit period for a pensioner is usually 12 months and for a non-pensioner seven months. The existing regulations embodying those benefit periods were drafted with annual upratings in mind and local authorities have always planned their review of cases accordingly.

The pattern of upratings during this period of faster and more frequent than usual upratings would cause many local authorities considerable operational difficulties by requiring them to review the circumstances of claimants twice within a relatively short period and at considerable administrative cost. At the request of local authorities, therefore, we have agreed to ease the benefit period regulations to avoid that. The regulations in question include that beneficial change.

I remind the House that even this uprating, after a period of only eight months, will cost some £420 million in a full year, in addition to the £2,000 million cost of last Noven ber's uprating. Total spending on social security will thus stand at almost £43 billion in 1986-87, which is more than 30 per cent. of all public expenditure. That is a massive sum in anyone's book, and a clear demonstration of the Government's commitment to fulfil our obligation to pensioners and others depedent on social security benefits.

In view of what the hon. Member for Oldham, West may want to say in a few moments—I guess that it will include fairly repeated use of the word "cuts"—I must say that the broader context in which this occurs, as is shown in the recent public expenditure White Paper, is that between 1980-81 and 1985-86, far from falling in real terms, social security expenditure rose by £9,500 million in real terms—a real increase of more than 30 per cent. That includes — with many other factors, as I acknowledge — an improvement in support for low-income families in work, a number of important improvements for disabled people — including a real increase in the mobility allowance, the introduction of the severe disablement allowance and the abolition of the

invalidity trap—significantly increased help with heating costs for the less well-off, abolition of the married women's half test, which did so much injustice to a number of women, and, not least, that real increase in pensions—and for almost a million more pensioners.

It is not a record for which I will apologise to the House; it is a record that I put before the House with pride. I invite my hon. Friends to endorse the motion and to reject the Opposition prayer.

4.7 pm

Mr. Michael Meacher (Oldham, West): A few weeks ago the Top Salaries Review Body report was published. The batch of social security orders that we are debating might well be described as the bottom salaries review body report. It certainly highlights the huge contrast in treatment meted out to pensioners, to mothers on child benefit and to unemployed families on supplementary benefit when compared with the plush and velvet glove handling of top civil servants, top judges and top military officers.

For the latter in the elite ranks of society the increase this year is £46 a week. For the average-paid worker, earnings this year will rise by £14·50 a week. For low-paid workers, such as those in the ancillary grades in the National Health Service, the increase currently on offer is about £3·25 a week. For a pensioner in retirement, the increase proposed is just 40p a week. For mothers on child benefit, it is precisely 10p a week — an amount so piffling that I suspect most people would scarcely bother to stoop down in the street to pick it up.

I think that the message is not lost on Ministers. I have not before heard the Minister in quite such a defensive mood as he was today. Perhaps he protests too much. I listened to all his caveats, and there could scarcely be a more eloquent testimony of this Government's obsession with one law for the rich and another for the poor.

The Government argue that they have increased pensions and benefits — the Minister, predictably, brought forward the argument today — strictly in line with the retail price index over the relevant period. So they have. That is the reason for the minuscule increases. The Government's argument is wholly fallacious. There is no statutory requirement that benefit increases should be limited to the RPI over the review period. All there is is a floor, a statutory minimum, for increases in benefit. The Government have said from time to time that they would like to improve the basic pension in real terms. In 1980, the Secretary of State for Social Services stated explicitly that it was the Government's intention to allot pensioners a share in rising national prosperity. This year, when the retail price index increase is so minute, the Government were offered a perfect opportunity to achieve that alleged intention. They have ostentatiously turned it down.

This year's increase is the most insulting one for decades. It is worse than that. The Government, by changing the operating periods this year, have cheated pensioners out of a bigger increase that they would have received if the uprating periods had remained unchanged. I shall explore that point which was made earlier. If the uprating had taken place at the normal time in November 1986, single pensioners would have received double the extra cash from a 4 per cent. increase paid for only four months thereafter up to the April 1987 changeover than they will receive under today's uprating from a 1 per cent. increase paid for eight months until April 1987.

The Secretary of State, when he introduced the changes in the uprating periods, chose to present them in terms of simplification, as he so often does. Pensioners have learned from bitter experience that whenever the Government speak of simplification they generally mean a cut. I will not apologise for the use of that word because that is exactly what people's experience is. The present position is no exception. As I said at the time of the announcement of the uprating arrangements on 24 February, the Government's sleight of hand with the arrangements will mean a loss to pensioners of around £120 million, which they will not recover.

The new arrangements matter in view of other aspects of Government policy on pensioners. The critical point in the debate is that, every year, the break in the upratings link with earnings which the Tory Government carried through in 1980 bites ever deeper. The loss grows much more in years in which earnings significantly outstrip prices. This year is a prime example. Earnings are rising at about 7·5 per cent. compared with prices which are rising at about 3 per cent. In other words, if the Government had not broken the link with earnings, and if they had not fiddled the uprating period, the pension increase this year would have been more than double, as it would under Labour's formula, even for the full year. That is a significant difference.

Mr. Martin M. Brandon-Bravo (Nottingham, South): I do not think that the House disputes what Labour party policy was eight years ago. Can the hon. Gentleman guarantee that that policy would not have changed had the Labour party been in office for the past seven years? His party's track record on pensions, the Christmas bonus and the real cuts in the National Health Service might lead people to believe that the Labour party ditched that policy long ago.

Mr. Meacher: It is a bit rich for the hon. Gentleman to challenge us on our record on the National Health Service. If he had considered the views of the electorate on cuts in the National Health Service, he would not have taken that as an analogy. I invite him to listen to the end of my speech when I shall make absolutely clear the full assurance that he seeks, perhaps contrary to what he expects.

The exact figures regarding the earnings link have been provided by the Library. Since the Minister was so coy about the figures, I shall cite them. The statistical section of the Library calculates that if the link had not been broken by the Government in 1980, the single pension, which is £38·30 a week, would have been £42·30 — exactly £4 a week more. The married pension, which is £61·30 a week, would have been £67·60 a week—£6·30 a week more. For millions of pensioners who are forced to eke out their lives never far from want or financial hardship, those are substantial and serious losses.

The size of the loss to pensioners can be seen from the fact that it represents savings to the Government this year at the expense of pensioners of no less than £1·8 billion. That is the total value of the cut in pensions this year as a result of the break with the earnings link.

Mr. Newton: As the hon. Gentleman has accused me of being coy, can he tell me whether the Library has also calculated what increase there would have been in national insurance contributions, how many more people would

[Mr. Newton]

have been placed out of work as a result, and how much higher the rate of inflation would have been if we had gone down that track?

Mr. Meacher: Coming from a Government which has tripled the rate of unemployment, that is another pretty rich question. As the Minister knows only too well, we are talking about transfer payments between the working population and those who are retired. I think that the Minister knows that we would have run a different kind of economic policy — not the kind of monetarist contractionary policy which has produced a level of manufacturing output that has still not reached its 1981 level. Out of that extra output, it would have been relatively easy to pay a significant increase in pensions.

The link with earnings was instituted by the Labour Government in 1975. That is the fundamental reason for the huge difference in the pensions record between the Labour Government and the Tory Administration. In six years of Labour Government, the pension increased by 20 per cent. in real terms. In seven years under the Tory Government the pension has increased by just 3 per cent. in real terms. I suggest that the difference between the parties in terms of priorities for the pensioner could scarcely be plainer than those figures show.

Mr. David Lightbown (Staffordshire, South-East): Can the hon. Gentleman say what the rate of inflation increased by in the period that he is stressing pensions have increased?

Mr. Meacher: The hon. Gentleman has missed the point that what matter to pensioners is the overall increase in their income after taking account of inflation. I do not know whether he knows the meaning of the words "in real terms". "In real terms" means after taking account of inflation. The inflation rate, at 26 per cent. in Labour's worst year, was too high, as was 22 per cent. in the Tory Government's worst year. Taking account of both of those facts, pensions increased six or seven times more in real terms under Labour than they have, alas, under the present Government. That is the key point.

Mr. Michael Forsyth (Stirling): Can the hon. Gentleman say what happened to the savings in money that pensioners had put aside in real terms?

Mr. Meacher: The same thing happened regarding the too-high rate of inflation in 1975 as happened regarding the too-high rate of inflation in 1981. Of course, inflation damages pensioner savings. We accept that there is a need to reduce the rate of inflation for that reason. Pensioners with significant amounts of savings are in the minority. The real point for the majority of pensioners is the real increase in pension over and above inflation. The record of the present Government is tenuous compared with the record of the Labour Government. In no other respect is the difference between the parties so stark.

It is proposed this year to pay the pensioners' Christmas bonus at a rate that has been unchanged for 14 years. If the £10 rate paid in 1972 had been uprated each year—no matter which party was in power—in line with prices, it would now be no less than £44. I submit that, apart from the huge shrinkage in value to pensioners because the bonus has been kept at the original £10 rate, there is another strong reason why the Government should increase it this year. Each year until now, the annual pension increase has been paid in the month before Christmas. Pensioners therefore have some extra resources with which to meet Christmas costs and some protection against increasing winter fuel bills. This year, that extra pension increase, which is now being paid in July, will not be available as a new increase to pensioners. That is why the failure to increase the Christmas bonus this year—when it has already lost more than three quarters of its real value since 1972 and when this year's pension increase is merely a pathetic 1 per cent.—is so regrettable.

Therefore, our charge is that the Government are treating pensioners extremely shabbily. Of course the Government state that they cannot afford to do more. They always say that. But they can certainly find big money for other, favoured causes. There is a great deal of talk during the run-up to the general election about the Government cutting the basic rate of income tax from 29 per cent. to 25 per cent. That would cost nearly £5 billion. If such amounts can be found, why are pensioners fobbed off with this cheap and insulting option of a 40p pension increase?

Then there is the £3·64 billion—the Treasury's figure — by which taxes have been cut since 1979 for the richest 5 per cent. That is twice as much as would be needed to restore the earnings limit for pensioners. Why should directors on £30,000 or more a year get a huge cash bonanza while pensioners are left out in the cold, literally as well as metaphorically?

It is all a matter of priorities. Our priority, as we have demonstrated, is for the pensioner. The Government, as they demonstrate each year, are for the wealthy and the privileged. By contrast, we shall take back the £3·64 billion which has been handed out to the rich and distribute it instead to the beneficiaries — perhaps I should say victims — of these social security measures. We shall increase the single pension by £5 a week and the married pension by £8 a week.

Mr. James Couchman (Gillingham): When?

Mr. Meacher: It shall be done in the first Labour Budget. We shall increase child benefit by £3 a week. We shall extend the long-term rate of supplementary benefit to all of the long-term unemployed. All of those major improvements for people on some of the lowest incomes can be afforded without any increase in taxation for 95 per cent. of our people. That can be done simply by making the top 5 per cent. hand back what they should never have been given in the first place.

Mr. Frank Field: I am sure that people outside the House will be following this part of the debate more carefully than most of our debates. My hon. Friend has referred to the Labour commitment of a £3 a week increase in child benefit. Is the Labour Front Bench giving a clear commitment that that increase will be given in the first year of the next Parliament?

Mr. Meacher: Yes. They are all straightforward, redistributionable changes, which we intend to make in the first year in our first Budget.

Mr. Favell: My hon. Friend the Minister for Social Security said that the bill to the nation for the uprating will be £420 million. If the hon. Gentleman were standing at the Government Dispatch Box, what would his bill be?

Mr. Meacher: Clearly, the hon. Gentleman was not listening. My point was that we will take back the £3·5 billion, or slightly more, that has been handed out in tax cuts—income tax, capital transfer tax and capital gains tax, the abolition of the investment surcharge to the richest 5 per cent. of our society—and use that money to pay the pensioners, the mothers with young children and the long-term unemployed. We believe that those are the right priorities, and we shall soon take that message to the nation.

Our second major objection to these measures concerns the 10p increase in child benefit, which is derisory. We object to it for several reasons. First, it makes no effort to restore the 35p cut made last year—a cut to mothers of £175 million in real terms. Secondly, the Prime Minister again trumpeted recently her support for a family policy; yet this tiny increase of 10p shows that her actions belie her words. Thirdly, there is no commitment to index child benefit in line with prices, let alone earnings. The Government Whips organised a filibuster a few weeks ago to prevent the proposal of the hon. Member for Kensington (Sir B. Rhys Williams) from even being debated. That reveals the depth of the Government's opposition to any such notion. Fourthly, there is no assurance that the extra £64 million expenditure on child benefit—due to a reported underestimate of the number of children—will not lead to cuts in other benefits or child benefit, as the Government's record might lead one to suspect. I should be pleased to allow the Minister to intervene if he wishes to deny that.

Mr. Newton: It is simple. The £64 million to which the hon. Gentleman refers and which I think surfaced in a report in *The Guardian* is additional expenditure that was incurred in 1985-86. Obviously, there can be no question of compensating changes to offset expenditure that has already been met.

Mr. Meacher: I am glad to hear that. That will be a welcome announcement, given the suspicions that we hold for genuine reasons, that that type of overrun is always met by corresponding cuts.

Fifthly, over the past 25 years, the fiscal system has moved steadily against families with children. No attempt is being made this year, when there is such a small increase, to reverse that. That is a great pity. Sixthly, and most importantly, bearing in mind that child benefit is widely agreed by both sides of the House to be by far the most effective device to remedy family poverty, it is surely tragic that the Government apparently still intend to phase it down in favour of family credit, which is footling by comparison.

In case I am unfair about this—I should be glad to give way to the Minister again—I ask this one modest question: Will the Minister give an assurance that the real value of child benefit will be maintained at least until 1988? Would the Minister like to give an assurance on that point?

Mr. Newton: All I can do is give the hon. Gentleman the assurances that we have already given and have shown by uprating child benefit in the motions. We continue to attach great importance to child benefit as a universal benefit normally payable to mothers, but we shall continue to take decisions about child benefit in the context of policies as a whole, including the universally supported desire to do more for low-paid families with children, whether in or out of work. That involves from time to time taking decisions about the balance.

Mr. Meacher: That is a carefully worded answer. The implications are clear—we can expect either a freezing or a small increase in child benefit, as there was last year. That is a very unwise decision.

I turn now to the general uprating implicit in these motions. I have already referred to the fact that the switch to a July uprating means a loss to claimants in general over the year. My hon. Friend the Member for Birkenhead (Mr. Field) made the same point. Although it may not be a large loss, the real point is that this year there should not be a loss at all because, at this point, the country can afford a more generous uprating.

With average earnings now rising at 7·5 per cent. a year, as I have said, fully six percentage points above the tax and prices index, it is only fair that the poor and the weak should obtain the same benefits as the rich and the strong. A benefit uprating in line with earnings rather than prices would have been a tangible expression of that sentiment and it would have been supported by the majority of the electorate. When asked whether priority should be given to a 1p cut in the basic rate of tax in the Budget or to increasing benefits for the poor, a recent poll I saw showed that 61 per cent. favoured an increase in benefits compared with 48 per cent. who favoured the tax cut.

I would like briefly to add two other points on housing benefit. This year—the Minister made brief reference to this—supplementary benefit and needs allowances have not been increased by the formulae the Government introduced in 1982. The supplementary benefit formula would have given an increase of 1·2 per cent. Instead, the pension uprating formula has been applied, which yields 1·1 per cent. The difference is, of course, marginal but I would say that it is all the more symbolic for that. If the difference between the two formulae is minute, why do the Government always unerringly choose the lower one rather that the higher one?

No new awards of the supplementary benefit non-householder rent addition will be paid to persons under 25 after July. I realise that that is an order that will come before the House later, so I am making no more than a reference to it. However, it is relevant when we discuss supplementary benefit. I believe that that is a retrograde step. It will further erode the independent status of young people and it is to be condemned as another example of the creeping implementation of the social security review before the Bill is even through Parliament and as another device to save money on transitional protection.

These are not dry or routine social security orders, as I think that the Minister tended to introduce them. We are debating the incomes and livelihood of millions of Britain's poorest families. We will certainly not vote against any improvements proposed in their standard of living, however meagre or limited we might believe them to be. However, I want to put firmly on the record that the incoming Labour Government, which we shall soon see, will take a radically different and more just view of the proper distribution of this nation's wealth between rich and poor. Indeed it is because all of those who are the subject of these orders today — the pensioners, the mothers, the unemployed and the low paid—have a vote that that Labour Government will not be long in coming.

4.32 pm

Sir Brandon Rhys Williams (Kensington): I have a feeling that a number of hon. Members were not certain what the nature of the debate would be when they came into the Chamber this afternoon, because it is extremely difficult to vote against a series of orders and regulations which have the effect of increasing the amount of benefit that will be available to millions of people. Therefore, if the House is to make constructive use of this short debate we should try to focus our minds on some of the longer-range issues behind the system, which has surfaced again this afternoon, where Ministers have to come to the House at stated intervals to recommend changes in the level of benefit that will be available to different classes of people through our various systems for the redistribution of income.

I think that it might be worth while for the House to consider the ways in which we redistribute income and whether these upratings, and the way in which we calculate the right amounts and the people who will be eligible for the benefits, are what we want, and whether this is a permanent system that will remain in place year in, year out. From the speech that we have just heard from the hon. Member for Oldham, West (Mr. Meacher), from the Opposition Front Bench, it seems that the Opposition are determined to make major changes. However, they have not escaped the criticism that major improvements in the system have to be paid for from somewhere.

My first point is that when we talk about the redistribution of income we have not only to consider who the money is going to and how much it is to be, but to decide where the money is coming from and who will make contributions to the system.

I think that it is worth considering the basis for the entire redistribution of income, because I want to do something that I have done many times before in the House, which is to emphasise that we must look at the income of the redistributive system as well as the outgoings. That leads me to the same conclusion as I have always been led to before, which is that progressively we must move towards integration of the income tax system, national insurance contributions, national insurance benefits, supplementary benefits and the rest. We must work towards the integration of the tax system and the benefit system so that both sides are seen to be fair and administratively comprehensible and simple.

I do not think that anyone on either side of the House would disagree that, for the majority of citizens, the present system is arbitrary, incomprehensible and a disincentive for the millions, divisive in a way that is socially extremely dangerous and on the verge of administrative collapse. The House cannot be satisfied simply to approve the uprating regulations and allow a situation to continue in which there is general agreement on the underlying state of affairs. I do not think that hon. Members would challenge me on those accusations.

It seems that we have never really clarified our thinking on the basis of entitlement to benefits. We are talking about millions of people who will receive benefit as a result of these measures, but we do not really know precisely why we are giving them the money. Is it because we are trying to provide them with a basic income guarantee that is sufficient to live on? If that is the case, in many aspects the amounts that we are paying will not be enough. Is it because there is an actuarial relationship with the contributions that they have made during the course of their working lives which decrees that certain payments must be made?

That certainly is not so, not just because inflation is making all our figures turn to jelly, but because we have changed the basis of entitlement to claims for pensions, and so on, as the years have gone by, so that what people have paid into the system in the past and what they are paying now and what they are entitled to draw out of the national insurance system have no actuarial relationship whatsoever. Therefore, we are not relying on arithmetic.

I believe that the system can be divided into four. First, there are the universal benefits. Some of them began to be instituted in the 19th century. I am thinking particularly of public education. In the 20th century there have been great strides forward. The National Health Service is a universal benefit, broadly speaking, and of course there is child benefit, which is a universal benefit, which is paid in cash. I think that there is a considerable degree of public dissatisfaction about all the major universal benefits. I do not think that people are happy about the administration of the Health Service, they are not happy about the administration of public education and there is a considerable degree of opinion that child benefit is not at a sufficient level, considering the real cost of raising a child. There is plenty of room for debate on this subject, and the debates are going on.

Secondly, there are the contributory systems. As I have mentioned, the figures have turned to jelly and nobody has any idea of the relationship between obligation and entitlement in national insurance.

Thirdly, there are the means-tested benefits, not just supplementary benefit, but the housing allowances, which differ very much in different parts of the country. I was given an appalling figure in a parliamentary answer a few weeks ago. I asked how many people in this country were living in families which were dependent, in one way or another, on support obtained through proof of need. The answer was 14 million. As far as I am able to ascertain, that number is rising. There can hardly be a more desperately divisive state of affairs than having 14 million people who are dependent on proof of need to sustain their living standards.

The fourth welfare state that we operate—it is less obvious than the others, but none the less real—is the tax concession system, which produces differentiations of hundreds of pounds a year between people with identical incomes on account of their different commitments and marital circumstances.

I have had the feeling for a number of years that no serious thought has been given, either in the Treasury or the DHSS, to the way in which the redistribution of income is to be handled.

Where are we heading? It seems that there is a steadily rising number of people who are dependent on proof of need. I do not think that many Members realise that the figure has risen to 14 million. My interpretation of trends that can be observed is that that figure is likely to rise. In making an effort to provide a minimum income guarantee so that no one slides into destitution we are dependent increasingly on the old-fashioned means test in various forms. This is disastrous. It means that millions know instinctively, or because they have made the necessary calculations, that there is not too much point in working or in saving.

Hon. Members in all parts of the House, and especially those on the Government Benches, know that the success of our economy, and of living together as a society, depends on people recognising the value of thrift and hard work. If 14 million come to realise that there is something wrong with those motives and that they are not borne out by the way in which life treats them in practice, that is disastrous. If it is true that the number in that position is rising steadily, it is a matter that requires the urgent attention of the House.

Mr. Frank Field: Does the hon. Gentleman accept that there is another rather dangerous tendency, which is that of individuals continuing to recognise the value and importance of hard work, but not that of combining hard work with honesty? In other words, they are not declaring their incomes. The more we push people towards means testing, the more we shall increase the incentive to engage in deception.

Sir Brandon Rhys Williams: That is an important part of what I have described as the approaching administrative collapse. The black economy is attracting people more and more because they are losing their sense of honour as a consequence of the Government's system of redistribution. They know that more and more people are breaking the rules, and they are becoming increasingly disposed to break the rules themselves.

Another trend is reflected in the rising proportion of the population who want to have cash resources of their own. It is possible that this has something to do with long-term social changes, especially, perhaps, with female emancipation. In Victorian times women were willing to be dependent on the breadwinner, the male head of the household, to provide them with the money that they needed or such comforts as they required. They want now to be able to make their own choices. That is a phrase that the Prime Minister uses with considerable effect. People want to be able to make their own choices, but in the life that we lead we must have our own resources and have command over our own finances, if we are to make our own choices. That is one reason why there is increasing pressure for women to have their own special tax relationship. Many do not want to be regarded as chattels or adjuncts of their husbands. They want to have a one-to-one unisex relationship with the tax inspector, and I think that they are right in that.

If there are an increasing number of people who want to have discretion in the way in which they handle their own affairs, we must adapt our administrative system to meet that wish. Hon. Members on both sides of the House know that I am enthusiastic about child benefit. I believe that the rate of child benefit should be increased, and should certainly not be diminished. One of the reasons why it is such a popular benefit and has an almost universal take-up is that it is paid normally to the woman in the household, which allows her to exercise her own discretion and make her own choices, at any rate with that small part of the family's overall resources. The Government are fighting against a trend that will prove to be stronger than the Government if they think that they can eat slowly into child benefit and dimish it. I hope that they will not make that serious mistake.

Perhaps more important is the fact that millions of people are restrained from entering the working population, and even from taking on part-time work, because they will commit an offence if they take part-time work at the same time as drawing various benefits. We must work our way towards a wholesale reform. I am disappointed that the Government do not appear to be doing any fundamental thinking on this subject.

I was a member of the Committee which considered the Social Security Bill, which has now gone to another place. I was even more convinced at the end of our deliberations than I was at the beginning that the Bill did not represent final answers to the various questions which I have posed and was not enough. I could not do more than vote against the Bill. At any rate, hon. Members know what I think.

What are we asking the Government to do? We must not lose sight of the fact — Opposition Members are open to serious criticism because they do lose sight of this — that one of the Government's primary requirements is to secure the good health and expansion of the economy so that there are resources to be distributed. All too often Opposition Members forget that and call for increases in benefits without explaining how the money is to be generated.

Much of what the Government are doing is right, but I believe that the changes that they are making in the tax system and the provisions that they are making for investment are not sufficient. I hope that they will find ways of breaking through the social security system quickly and introducing a radical overhaul of the system and its administration. It is not good enough to continue from month to month and year to year with DHSS officers being required to make more than 90 million manual entries every week to keep the administrative system going. A much more urgent matter than Ministers recognise is to get something done about that appalling state of affairs.

I understand that progress with the computerisation of the pay-as-you-earn scheme is going very well. Much of the hardware is well on the way to being installed. The restraints that have held us back from a radical reconstruction of the system of income tax and social security are being eliminated at a practical level. The development of the necessary software for the pay-as-you-earn system is still taking a long time. The work should never have been embarked upon before thinking had been done about the sort of service that was wanted.

I ask my right hon. and hon. Friends in the DHSS and the Treasury to think again about the way in which the long-term evolution of the redistribution of incomes is heading. I am sure that it will be agreed that as individuals increase their income they cannot face a sharp reduction in their entitlement to benefit. Millions are entitled to benefits through one or another of our various systems, and we recognise that whenever they lose their benefits sharply there is a disincentive to increase their resources beyond that point. Tapering has become the order of the day. Rather than taking away their benefit on a taper, surely it would be simpler to make them contribute more as their incomes rise through the income tax system. Let them retain their benefit and require them to make a greater contribution through the income tax system. The loss of benefit must be partial if there are not to be disincentive effects. Let the loss of benefit express itself through the payment of more income tax. That would avoid the problems that arise when benefit is eliminated stage by stage as someone's circumstances improve. May we have a promise today, or very soon, that the Government will reconsider this problem in the

[Sir Brandon Rhys Williams]

recognition that the various measures which they have brought forward in recent years are not sufficient to meet the case?

4.49 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I enjoyed listening to the speech made by the hon. Member for Kensington (Sir B. Rhys Williams). He has a distinguished history and reputation and he argued the case for wholesale reforms. As the hon. Member for Birkenhead (Mr. Field) recognised, the hon. Member for Kensington voted accordingly in Committee. I certainly pay great attention and regard to that.

I agree with many of the arguments presented by the hon. Member for Kensington on the need for wholesale reform. I accept the mild rebuke that he made in the direction of the Opposition Benches about the source of the resources needed to generate the money to enable the redistribution of benefits. I hope that all hon. Members will address that point.

When the Minister of State introduced the debate on the detail of the uprating orders, he mentioned the current context. That is an important element in the equation which we must not ignore.

I begin by admitting that the reduction in the rate of inflation to the present level of around 3 per cent. is a valuable contribution to those people who rely on benefits for their income. However, I am worried about the disparity, which has continued to widen since the Government came to office, between the best-off and the worst-off in our society. I eschew the sophisticated statistics that can be floated about that argument from both sides of the House. I am worried about the distance that now exists. In spite of the Government's best endeavours to try to improve the position, there is evidence that persuades me that the gap between the best-off and the worst-off is becoming worse.

Mr. Michael Forsyth: Would the hon. Gentleman be worried if the gap between the worst-off and the best-off was widening if the consequence was that more wealth was created in order to meet the benefits bill, to which he referred at the beginning of his speech? Will he acknowledge that that is happening?

Mr. Kirkwood: That is not happening. We could have an interesting discussion about the relative positions of the lowest 10 per cent. of our society in terms of generating income and their available disposable income and as to whether they are worse off now than at the beginning of the Government's term of office, but I would like to return to my second point in the context of today's debate.

The Government seem to be set on the road to further tax cuts as opposed to the redistribution and increased transfer of payments. The DHSS should make the position clear. The Liberal and Social Democratic parties voted against the 1p reduction in income tax, as the Parliamentary Under-Secretary of State will be aware. That is only a partial answer to the problem, but we should go further than that. I do not know how the figures match up, but we must be prepared to face the fact that we may need to maintain levels of taxation to obtain the money to redistribute benefits.

The formulation of the Government's policy on that question is absolutely crucial. I hope that we will hear from the Parliamentary Under-Secretary of State when he replies that he will ensure that resources are found even if that involves forgoing the Government's present policy.

Mr. Favell: We never hear the Opposition referring to the question of incentives on these matters. Does the hon. Gentleman accept that tax cuts produce an incentive to work harder and to save more for old age and bad times? The greater the tax, the less incentive there is to work. What does the hon. Gentleman think about that?

Mr. Kirkwood: I agree that a balance must be struck. That balance has gone wrong in terms of the amount of income that we are asking pensioners to live on. I hope that the Parliamentary Under-Secretary of State will comment on that.

There is a fear across party lines about the operation of child benefit. The hon. Member for Oldham, West (Mr. Meacher) referred to that point and I want to support his comments and those comments made on the matter by other hon. Members, including Conservative Members, in previous debates. There must be a commitment at least to retain the value of child benefit in future. I understand the Minister of State's reply to that point, as he has the Treasury Ministers at his shoulder and he may not be able to go further than that this afternoon. However, I warn the Under-Secretary that if there are cuts, such as the 35p reduction, he will face a major rebellion from the Opposition Benches and from the forces that sit behind him.

I hope that the Under-Secretary of State will be able to clarify matters about the retail price index. That is a rough and crude instrument to measure the increase in prices. Has the Minister had a chance to examine a report commissioned by the Chartered Association of Certified Accountants and carried out by the Institute of Fiscal Studies called "The RPI and the cost of living"? The report reached several conclusions. It stated that the Government had been paying more than they needed in terms of uprating benefits for substantial periods during the past 10 years. To support my argument, the report states that the poorer families in our society suffer more and the real costs of inflation, rather than the statistical calculations, are significantly higher than the general increase in the RPI. I hope that the Department will study the report with care. The Department needs to refine the retail price index in a way that would benefit the least advantaged families in society.

Under what circumstances does the Under-Secretary of State believe that the Social Security Advisory Committee report's recommendations will be implemented when it states that there should be not every year, but occasionally, a linking of increased benefits to earnings so that an inexorable disparity does not appear between the increase in the cost of living enjoyed by people in work and those who are dependent on benefits? There was a case to consider this year for moving towards the average earnings increase.

We have heard that there has been almost a 7·5 per cent. annual earnings increase, which is 6 per cent. higher than the tax and prices index. Can the Under-Secretary of State tell us whether these figures, like the figure of £8·80 annual loss caused by the disposition of the timing of the payments of the increase, will be made good in the round eventually? It is very important that losses sustained because of the timing of the uprating—which was unfair—should be made good.

Mr. Michael Forsyth: I have been waiting so long to intervene that I have nearly forgotten my point. However, if the hon. Gentleman is so concerned about wealth creation and finding the resources to meet a decent social security system — which we all want — how does he reconcile that with the view that benefits should be indexed according to earnings if the earnings are over and above the country average? That would be a recipe for creating a benefit system which we could not possibly afford. That is the opposite to what he was arguing for.

Mr. Kirkwood: I do not understand why it is difficult, improper or in any way impossible to increase benefits according to the increased average earnings. If average earnings are increased, the tax take increases and that would mean more money to be redistributed. There is no difficulty about that.

Mr. Forsyth: The difficulty is that, if, as is happening at the moment, the country is paying in wages more than is being earned and we index benefits accordingly, we will have a monstrous bill which will be paid for only in the destruction of other people's jobs and a higher bill which we will not be able to meet. That would be the consequence of the hon. Gentleman's policy.

Mr. Kirkwood: I fully accept that. The hon. Gentleman takes us into public sector pay and price and incomes policies. We would face up to that by ensuring that there is a system that ensures that people do not get paid more than the country can afford.

The hon. Member for Oldham, West mentioned the Christmas bonus, which is being substantially eroded. Do the Government have any plans to try to make it as valuable as it would have been if it had increased in line with prices or earnings? Its value has been largely discounted. Something must be done about that.

The Government could have done a bit more without breaking their back. I am most anxious that the Minister should be prepared to go into the current public expenditure round with some of the issues that I have outlined in the front of his mind so that he will fight for his Department's budget and so that he can redistribute more in future.

5.1 pm

Mr. Kenneth Carlisle (Lincoln): I should like to make my speech in the context of the general background to the proposed increases. It is generally recognised that the Government promised to ensure that benefits would increase at least in line with inflation. What is proposed accords precisely with our promise to the country at the general election, which has been repeated during the past few years.

We should consider the overall level of inflation. The increase in benefits must be related to the increase in prices. There is no doubt that inflation is the greatest threat to people in receipt of benefits. They are generally those who most need support and they are often the weakest. High inflation and rapid price rises undermine people's confidence. When they go to the shops to buy the necessities of life they see increases each day, but the increase in benefits lags well behind price increases, so people do not understand how they can possibly keep up. The elderly who have some savings see high price increases destroying their life's work. Price increases eat away at savings that have been made over many years of work.

Inflation has a bad effect on people who both major parties say they want to help. The hon. Member for Oldham, West (Mr. Meacher) was completely wrong to say that inflation does not matter and that the important thing is the increase in benefit after taking account of inflation. He showed a great misunderstanding of the worry caused by inflation. It is a matter of peace of mind. In a period of high inflation, the confidence of pensioners, one-parent families on benefit, the unemployed and people in receipt of housing benefit is greatly affected, as they simply do not know how they will meet increased prices in the shops.

In times of high inflation, the weakest suffer most. That has been proved time and again. It is important to such groups, therefore, that inflation is kept low and that price increases are conquered. There are other effects of high inflation. Declining currency value and rapidly rising prices destroy the morality of a country. We get used to a declining currency and become cynical about it, and we no longer pursue sound values which give hope for the future.

Another effect is unemployment. There is no doubt that the inflation of the 1970s and early 1980s bred unemployment. Businesses found that they could not sell their goods competitively on world markets, and they continually sought more cash to replace stocks to make products. The strains on business, failures and a fall in growth, or even decline, have an inevitable effect on jobs. All those effects of inflation can be seen throughout the country, but it is the weakest who suffer most. That is why the Government should take credit for keeping price rises low, and why their main aim should be the continuing control of inflation.

It is important that people who are in receipt of benefit have confidence in the system that is used to calculate increases. In that respect, I echo what the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) said. Are we certain that the system is as good as it should be? Does it reflect the costs that people on benefit and the elderly have to meet every day? Such expenditure is quite different from that of someone in a well-paid job. I am aware that our statisticians refine the system occasionally, but it should receive continual examination.

We must also consider the economy as a whole. As my hon. Friend the Member for Kensington (Sir B. Rhys Williams) said, we must pay for the increases. It is no good promising the world. Indeed, it is evil to promise the world when one does not have the means to provide it.

Mr. Marlow: My hon. Friend mentioned increases. Is he aware that, despite the massive increase of last year, the value of child benefit and child tax allowance — the benefits that we give per child—is now £2·70 less than it was in 1955? Whereas there have been increases in some areas, assistance for families with children, especially those with significant numbers of children, is now much less than it was in 1955.

Mr. Carlisle: My hon. Friend has gone back to 1955. I suppose that I must have been in receipt of child benefit then. I cannot recall what the level was. Matters have changed so much that it is not very helpful to go back that far, but I believe that since 1979 the real value of child benefit has increased.

Before my hon. Friend the Member for Northampton, North (Mr. Marlow) made that rather interesting

[Mr. Carlisle]

intervention, I was considering the overall economy. When promising massive increases in social security payments, the Opposition have a responsibility to consider what they hope to achieve. They must face the reality of how they will pay for the increases. They have promised increased social security payments and increased expenditure on the industrial front, the Health Service and education. There is not a programme that has not been promised extra money.

My right hon. Friend the Chief Secretary has estimated that to pay just for the Opposition's firm promises would require £40 billion of additional expenditure each year, to be carried on year after year. To pay for that, the Opposition would, for example, have to increase VAT to 42 per cent. Such an increase would have a devastating effect on a whole range of people who receive benefit. If the Opposition do not pay for that expenditure by increasing VAT, they will have to raise the money, if they are honest, by some other form of tax, which will have to be paid by all taxpayers, including those in receipt of benefit. The alternative is to borrow. In that case, inflation and interest rates would increase, with all the evil effects that I have already mentioned.

The Opposition's promises are given blandly, but no doubt with genuine sincerity. However, any analysis leaves one sceptical of them, especially given the havoc that would be wrought on the country's economy if those promises were carried out.

Our record of controlling inflation and of trying to get the economy on a course for growth has not been bad and should not be scorned. My hon. Friend the Minister described how we now spend £43 billion a year on social security. That is 30 per cent. of all public expenditure. All benefits have increased by more than the rate of inflation since 1979. The new benefits have also substantially helped the worst off. As my hon. Friend the Member for Stirling (Mr. Forsyth) said, one has to tie any increase in social security directly to the economy's ability to earn the resources to make those increased payments.

I now wish to concentrate on the reform of the social security system. We are talking about one of three upratings over 18 months. The uprating will move forward to April. Thus, we are looking not at an annual uprating but at one for a shorter period when the rate of inflation is low. We are honouring our promise. Many of my constituents will welcome the annual upratings when they move forward to April. I have always received many complaints about the fact that the upratings have been delayed until the autumn. We genuinely welcome the move to April.

I also welcome the reform of social security that is being undertaken. It is generally recognised that, despite the thousands of millions of pounds spent on our social security system it is not directed at the right people. For example, it is accepted that one-parent families and families on low earnings have fallen behind. It is right that we should undertake a substantial review of the social security system so that the large resources available are directed to the right people.

My hon. Friend the Member for Kensington, who has given deep thought to this issue, raised an important point, with which I agree, when he said that the present social security system is far too complex. Even when it has been reformed, it will be difficult to understand it. I urge the Government to reconsider the reforms to see whether, with the aid of computers, they can link tax and social security. In this way we could avoid the absurdity of people receiving social security and paying tax. Given the will and the technology that we now have, it must be within our means to devise a much simpler system.

I am glad that I have taken part in the debate, and I shall end by returning to my main theme. Inflation is the worst enemy. Indeed, rapidly rising prices are the worst enemy of all those on social security. If inflation stood at 100 per cent., we could easily double social security benefits annually. That would look very good on paper, and the hon. Member for Oldham, West clearly would not mind that, but I assure him that much agony would be caused to those of our constituents who are on benefit and who are poor. It is they who would suffer most.

The Government's aim to increase social security at least in line with inflation is good. We have honoured our promise. I have no doubt that when the economy generates the necessary wealth those on social security will in turn benefit in a far more stable way, which will give them, not worry, but more security in future.

5.15 pm

Mr. Frank Field (Birkenhead): I am sure that the hon Member for Lincoln (Mr. Carlisle) will understand if I do not take up all the points that he covered in his wide-ranging speech. However, I should like to comment on a few of them. He concentrated on inflation. I hope that hon. Members will read carefully the speech of my hon. Friend the Member for Oldham, West (Mr. Meacher). I thought that for the first time I noticed a much greater realisation of the importance of inflation in terms of both crude politics and votes, and of what it means to our supporters.

I do not follow the line that a Labour Government need worry only about those on statutory benefits. Many of our supporters have only small savings by comparison with the Government's supporters. One could easily construct an argument that those small savings are more important to the saver. Indeed, those of greater means have more expertise available to them and are far more able to protect their wealth than those with small savings.

I therefore took the speech of my hon. Friend the Member for Oldham, West to be very coded. I understood that he was coming round to the view that a Labour Government would not embark on public expenditure policies and discussions on wage levels that would lead to a rapid increase in prices. We need to think that through carefully and to put it with care to the electorate so that those who vote for our package know the price and the responsibilities that will have to be paid by them in seeing that programme through. It will come as no surprise to those who have heard me speak before that I believe that that means that part of our programme must involve policies on levels of prices, wages and salaries. I make no excuse for that. It is crucial. No one in his right mind would want to return to the inflation levels that existed under this Government and under the previous Labour Government.

Rising prices have a terrifying effect on those at the bottom of the pile. The closest analogy is perhaps with totalitarian regimes which want to create such uncertainty that people do not know what will happen to them next. That is the effect of rapidly rising prices on those who have least. I therefore welcome what I understood to be a coded

message from my hon. Friend the Member for Oldham, West. I hope that we shall become clearer as the election approaches.

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Field: The hon. Gentleman may entice me to give way later. Many hon. Members wish to speak in the debate. I enjoy interventions, but I am aware that time is limited.

The hon. Member for Lincoln echoed the comments made by the hon. Member for Kensington (Sir B. Rhys Williams). It is rare for me to disagree with the hon. Member for Kensington, who is held in an esteem in the House on a par with few other hon. Members. That is not just because of the knowledge which he brings to our debates, but because of the firm resolution with which he is prepared to see those views through in the Lobby, even if it means voting against the Government. It is easy for Opposition Members to do that, but it is much more difficult for a Government supporter.

The hon. Member for Kensington said that we should aim for a system of combining taxes and benefits. I wonder whether that is the best way forward. Those who set the policies for benefits and those who set our tax policies should know what each is trying to achieve. Have we reached the stage when we can move safely towards combining taxes and benefits?

My hon. Friend the Member for Fulham (Mr. Raynsford) will no doubt talk about housing benefit. It is worth remembering that, when that reform was introduced, we were told that it was a simple reform. That simple reform has become a nightmare for our constituents and ourselves. If our ability to understand the world is so limited that this simple reform became such a God-almighty cock-up, what will happen with a big issue such as combining taxes and benefits? Most of us would be resident seven days a week in our surgeries trying to answer queries. I will not support the growing consensus for a combination of taxes and benefits. I want both sides of government to talk to each other occasionally, to understand what their objectives are and not to have contradictory policies.

I shall present in straightforward Tory language some of the arguments which I hope the Government are presenting to the Treasury on child benefit. The DHSS has had and will continue to have a battle with the Treasury over child benefit. That is why, when the uprating statement was made, I welcomed the 10p increase in child benefit. I was mindful of the Government's record the previous year, but, given that the Treasury was aiming for child benefit not to be increased this year so that it could be established that child benefit was not normally increased when other benefits were increased, that was a crucial battle won by the DHSS.

When we debate next week the private Member's Bill to be introduced by the hon. Member for Kensington, we shall have an opportunity to vote on child benefit. Although Ministers may protest otherwise, if many Conservative Members joined us in the Lobby, especially those who have registered their views in early-day motions and in letters to pressure groups in support of child benefit and its automatic uprating, it would massively strengthen the Department's hand with the Treasury.

The arguments that the Department should pursue with the Government in Tory terms are as follows. First, among all benefits, child benefit strengthens the family. The Conservative Government say that they are about strengthening the family, not in a paternalistic way with officials putting their sticky fingers into people's private lives, but by giving them the resources to build the lives that they want. That would add massively to people's dignity.

Secondly, for a Government who believe that they should not interfere with wages, at least not in the private sector, child benefit is important in lessening the pressure for massive wage increases by family wage-earners, who are often men, but sometimes women. Thirdly, the bigger the child benefit, the bigger the incentive to work, for the reasons that were outlined by the hon. Member for Kensington.

Fourthly—this is the flip side of the coin—the bigger the benefit, the easier it is for people to remain honest. I note the decline in standards of honesty in our society, and it is harder for people at the bottom of the heap to abide by public notions of morality than it is for people who have bank balances. It is absurd for us to expect the poor to be more righteous than others. One reason why I want a Government who will campaign against poverty is that poverty is not some warm overcoat in which people happily shuffle round, but an evil that destroys them. That is part of the reason why people behave less honestly than they might otherwise do.

The fifth Tory reason for indexing child benefit along with other benefits is that it maintains tax equity. The only way in which we can ensure that we do not shift the tax burden from single people and childless couples to people with children when we increase personal allowances is to increase the tax-free income of those with children by a similar amount.

The sixth reason is the effectiveness of child benefit in tackling poverty. Although I would have put that at the top of the list, it does not come first on the list of Tory priorities.

Mr. Marlow: Could I add a seventh reason why Conservative Members should support child benefit? That is the paradox that those in work used to receive a child tax allowance. Child tax allowance no longer exists; we have child benefit instead. The reality is that, when there was child tax allowance, Conservative Members would accept its indexation and thought it was right and proper. Now some Conservative Members feel that child benefit should be given only to selected members of society. If we move in that direction, as the hon. Gentleman said, we would be taking money out of the pockets of families and putting it elsewhere. I believe, as the hon. Gentleman believes, that that is no thing for a Conservative Government to do.

Mr. Field: All that I would add to the hon. Gentleman's helpful intervention is that it would not just be taking money from the pockets of families; it would be putting money into the pockets of single people and childless couples. I said earlier that the Government told us proudly that they support the family.

I disagree with the hon. Member for Lincoln on another point. As I walk round Birkenhead, I am not set upon by many people who say that they long for the uprating date to be changed to April. I have had no inquiries about that. The Government are changing the uprating date to April because it is more convenient for

[Mr. Field]

them, not for my constituents or those of other hon. Members. That being so, the Government are duty-bound to ensure that, in the changeover to April, no beneficiaries will lose in the process. I do not argue that it is a mean-minded, miserable little uprating. If inflation was a little more than 1 per cent., and we linked benefits to prices, benefits would increase by only a small amount. However, some of my hon. Friends feel strongly on that point. As the change is for the Government's convenience, they are duty-bound to ensure that people will not be made worse off as a result of the move.

The evidence that I presented earlier from the Child Poverty Action Group brief — the hon. Member for Northampton, North (Mr. Marlow) has a copy with him — shows that there will be a small, but significant, reduction in the increase in benefit as a result of the changeover. A married couple in receipt of supplementary benefit will be a little less than £10 a year worse off. We must tell the Government that losses of that size, which may be unimportant to hon. Members but are crucial to many of our constituents, should be made up. The most effective way of doing that would be to grant an additional Christmas bonus or to introduce a new summer bonus.

5.29 pm

Mr. Michael Forsyth (Stirling): I look forward to studying in the *Official Report* tomorrow the speech made by the hon. Member for Oldham, West (Mr. Meacher). I listened to it carefully, but I could not break the code to which the hon. Member for Birkenhead (Mr. Field) clearly has access, which apparently tells us that the hon. Member for Oldham, West is in favour of keeping down inflation and recognises, if I may say so without embarrassing the hon. Member for Birkenhead, the powerful argument that he advanced that high inflation hurts most the poorest and the pensioners in our society. The name of the game in this debate is not to argue about which Government would give the largest upratings in benefit, but which Government are capable of producing the largest increases in real terms and creating the conditions which enable the private sector to generate the wealth necessary to meet the bills.

When listening to the hon. Member for Oldham, West, I thought he was saying that inflation was not important in considering those who were poorest in our society because they are covered anyway by indexed benefits. At the risk of saying something that has been said many times, the hon. Gentleman—he is not here, but I dare say that he will study the *Official Report*—would do well to read again the remarks made by the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) who pointed out that inflation is the father and mother of unemployment. While the hon. Member for Oldham, West is happily creating inflation in order to fulfil promises rashly made, he will be putting more and more people out of work, who will present yet further demands upon the social security system.

I want to explore the central part of the argument of the hon. Member for Oldham, West, which was whether it was better to have a system which indexed benefits according to prices or according to earnings. Of course, he said earnings because the Labour party is the caring party and is therefore in favour of providing more. That is the deception which he presents to the House and to the country. The reality is that if we were to embark on that path—to his credit, the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) changed his view half way through his speech, having started off on that path himself — it would result in our having commitments to the poorest in our society which we simply could not meet.

The reality is that even under a Conservative Government, who are determined to control inflation and public expenditure, we are paying ourselves more than we are earning. We are paying ourselves, as we have done for more than a generation, well beyond what we are producing as a nation. If we continue to do so, it will be the poorest who will suffer most and more people will lose their jobs. If we were to follow the prescriptions of the hon. Member for Oldham, West, we would be asking my right hon. Friend the Chancellor of the Exchequer to add to the burden on the wealth-creating sector. We would be penalising those elements in our economy which are capable of generating the resources which we need to meet our obligations.

Mrs. Margaret Beckett (Derby, South): I am listening with great care to the hon. Gentleman, just as I listened with great care to his interventions in the speech of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). I should be grateful if he would explain a little more the point that he is making. On the one hand, he is saying that there should be more wealth creation. He raised that first in his point on greater incentives. Therefore, he is presumably arguing that people in work should be paid more and that the tax burden should be less, and so on. On the other hand, he is lambasting people who are in work for being paid too much. It is not clear to me how he reconciles those two sides of his argument. I am sure that he does, but I am fascinated to know how.

Mr. Forsyth: I am grateful to the hon. Lady. I think that I can help her out, and I hope that she will abandon the policies which are based on such ignorance. The position is simple. I am arguing, not for higher pay, but for higher take-home pay by reducing taxation. If the Government succeed, as I am sure they will, in reducing the basic rate of income tax still further, the effect will be that those on average or below average earnings will have higher take-home pay and the pressure on employers to provide inflationary pay increases which are more than has been generated by increases in productivity will be reduced. One of the key reasons why it is important to reduce the burden of taxation on those in work is to moderate wage demands,. If we succeed in moderating wage demands, we shall be more competitive as a country, we shal generate more wealth and, in turn, increase the overall revenues from a lower rate of taxation. That is the first side of the equation.

Dr. Godman: Now we shall move on to privatisation.

Mr. Forsyth: I should be happy to follow the hon. Gentleman down that road.

The crucial part of the argument is surely that to increase Government commitments in the form of increases in national insurance or taxation in line with artificial increases in pay is to store up problems for the future. The gap will be filled only by borrowing or printing money, which in turn will create more inflation, which in turn will mean that more money has to be found to meet the indexing of benefits which are the consequence of a rise

in prices. That is a spiral of decline. That is exactly the position in which the previous Labour Government found themselves.

The sheer hypocrisy of the hon. Member for Oldham, West takes the cake. He comes into the Chamber and berates the Government for not increasing the Christmas bonus. I should be happy to see it increased by 10,000 per cent. plus £10 on the levels that were paid by the Labour Government in 1976 and 1977, because a 10,000 per cent. increase on nothing is nothing.

Mr. Marlow: Was there not another misunderstanding in what the hon. Member for Derby, South (Mrs. Beckett) implied? I think she was saying that there was no difference between increased pay and reduced taxation because the benefit to the worker is the same, but there is a massive difference. If pay is increased, the cost of production is increased and unit costs are increased. We become less competitive and lose masses of jobs. Is that not one reason why the Labour party seems to be at odds with any understanding of economic policy?

Mr. Forsyth: I am grateful to my hon. Friend. I completely support his analysis, although I would not go along with the views that he expressed earlier on child benefit. I shall come to that.

The other extraordinary thing about the views of the hon. Member for Derby, South (Mrs. Beckett) on tax cuts—

Mrs. Beckett: I have not yet had a chance to give my views on tax cuts.

Mr. Forsyth: I shall gladly give way to the hon. Lady so that she can give us her views on tax cuts, if she cares to do so, but I understand that the position of her party, which I assume she supports, is that it does not think there should be tax cuts. Indeed, several Opposition Members have argued that tax cuts are irrelevant and that what we should do is help pensioners. They all seem to have forgotten that 2·4 million pensioners in Britain pay tax totalling £2·9 billion, which is 9 per cent. of the total tax take.

Yet again we see an inconsistency in the Opposition's argument, which was clear in the promises made by the hon. Member for Oldham, West. He was busily telling us how he would take back all the money that the Government had given away in tax cuts and use it to fund his promises. He mentioned directors earning over £30,000 a year. If we tax people with earnings of over £30,000 a year at 100 per cent., it will be done once, because on the whole people do not work for nothing, as one of my hon. Friends has pointed out, and that will raise £1·8 billion, which will not get anyone very far down the road towards meeting the cost of the bill which would arise from the promises made this very afternoon alone by the hon. Gentleman. Opposition Members must come to terns with the fact that there are simply not enough of the Tory fat cats whom they dream about to meet the bills which a Labour Government would generate. Indeed, the hon. Member for Birkenhead was moving in that direction in his speech.

Mr. Frank Field: We shall make a start.

Mr. Forsyth: When the Labour party does that, it will end the whole process of wealth creation, making life even more intolerable for those whom it seeks to represent.

Mr. Frank Field: The hon. Gentleman's argument that if we reimpose the level of taxation that existed under the Labour Government we will receive no additional revenue in year two is clearly fallacious, because the Labour Government continued to raise revenue. The hon. Gentleman shakes his head. It is disconcerting to stand up and face the Tory Benches, only to see brightness and light. Normally when I face Tory opponents that is the last thing I expect to see. To correct the hon. Gentleman through the sunlight, we are thinking not of imposing a 100 per cent. tax on incomes above £30,000 a year, but of reverting to the previous level of taxation, which continued to raise a certain sum even under the Labour Government.

The argument that cutting taxation would lead to lower output puts the hon. Gentleman into equal difficulties, because there is not much difference between the growth rate under the Labour Government and that during the whole period in office of this Government. It may be that tax cuts are not the panacea for a relatively high growth rate in the British economy.

Mr. Forsyth: The hon. Gentleman is asking me to resolve a difficulty which exists in the Labour party. The Leader of the Opposition has said that a Labour Government would not increase taxes for those earning less than £30,000—he started with £20,000 and changed the figure to £30,000. Having set those guidelines, I am merely pointing out that if one taxes all earnings above £30,000 a year at 100 per cent. that will raise £1·8 billion, which does not go far towards the £25 billion programme of additional expenditure to which the Labour party is committed. Nor does it go far towards meeting the promises made this afternoon.

I agree with the hon. Gentleman that if one wishes to embark on a programme such as he would wish one must tax people who at present are paying tax at the basic rate. There are 18 million people on or below average earnings who, as it is, face penal rates of taxation. It is not in the interests of the country or of eliminating poverty to increase the tax burden on them which would be the consequence of the policies to which the hon. Gentleman is committed. He must address himself to that.

The hon. Gentleman argues that wealth will be generated despite penal rates of taxation on the rich. That is an ideological difference between us and he will have to work extremely hard to convince me that people who pay 98 per cent. tax, as they did previously, will continue to work within the white economy. I thoroughly agree with the hon. Gentleman's emphasis on declining moral standards and the increase in the black economy. That is a consequence of high taxation, and the hon. Gentleman must face the fact that if the Labour party's policies are pursued people will have a greater incentive to work in the black economy and to make demands on the social security system. The hon. Gentleman raised an extremely good point, but it is one which his party needs to resolve and which it has singularly avoided doing today.

I disagree with what my hon. Friend the Member for Northampton, North (Mr. Marlow) said about child benefit. My hon. Friend the Member for Darlington (Mr. Fallon) put it in a nutshell when he asked why we should pay tax-free benefits to duchesses. It is a monstrous waste of money and resources to tax people who pay high marginal rates of tax only to pay their wives child benefit. I am happy to declare an interest, in that I receive child benefit. It is an immense tax-free perk, for which I am

[Mr. Forsyth]

grateful, but to have many bureaucrats collecting revenue from, and many others dishing it out to, the same family is not a sensible way to run a country. I would far rather see child benefit being taxed or not being available to those who earn high incomes and pay high marginal rates of tax, and instead being directed to families in greatest need. As an across-the-board benefit it is completely unacceptable at a time when we have finite resources and considerable demands.

Sir Brandon Rhys Williams: Does my hon. Friend agree that the simplest way to increase the tax burden on people earning high incomes is to increase the higher rates of tax, not to take away their child benefit? To take away child benefit simply means that they are less well off. If one wishes to penalise high earners, which seems to be the gist of what my hon. Friend is saying, the simplest way to do that is to raise their rate of tax.

Mr. Forsyth: Clearly I have picked up some of the code of the hon. Member for Oldham, West, because my message was somewhat different. I am not in favour of increasing the tax burden on anyone. On the contrary, I should like to see it reduced, because that will result in an increase in the wealth generated. I believe that by reducing tax rates we can increase Exchequer revenue, which has been the United States' experience.

My desire to see child benefit not being paid to those on high incomes is not based on a desire to see those people paying higher rates of tax. I simply think that it is madness to have two bureaucracies involved in transferring money from one pocket to the other. Most families with high incomes—I gave the example of duchesses—do not need child benefit to look after their families.

Mr. Frank Field: Fortunately or unfortunately, depending on one's political perceptive, the country is not made up of duchesses. First, there is a difference between making child benefit selective—in other words, only paying it to poor families—and taxing it. There may well be a case for taxing child benefit, provided the revenue goes back into child benefit and increases its value. Secondly, if the hon. Gentleman wants to abolish child benefit—this question was implicit in the intervention of the hon. Member for Northampton, North (Mr. Marlow)—how will he maintain tax equity between those with children and those without children? In other words, how does he propose to increase the tax-free income of those two groups on a par? How will he avoid transferring the tax burden to those with children?

Mr. Forsyth: There are opportunities to do that through the new social security system.

Mr. Frank Field: What opportunities?

Mr. Raynsford: How?

Mr. Forsyth: Through family income. *[Interruption.]* I agree with the hon. Member for Birkenhead that the country is not made up of duchesses. The hon. Gentleman is something of an expert in this area and he knows the figures. He knows that we are paying well over £1 billion in child benefit to people on well above average earnings. I should like to see that money redistributed to those in greatest need. I do not have a strong view about whether that should be done through taxation or by some other process. At present the system is wasteful and creates an unnecessary dependancy.

Mr. Frank Field: Will the hon. Gentleman give way?

Mr. Marlow: Will my hon. Friend give way?

Mr. Forsyth: I may be short in the tooth, but I know what I am interested in. I give way to the hon. Gentleman.

Mr. Frank Field: The hon. Gentleman says he does not have a strong view on this issue. I do not want to be unkind to the hon. Gentleman, because he has given way to me, but the feeling that I had was that on this matter he did not have a view at all. When pressed to take his argument beyond the slogan, he was hard pushed, to put it politely, to suggest how his alternative would work. I urge him to think carefully after the debate about the points that he is putting to the House and about how in practice his suggestions could be implemented. I do not believe that they could be.

Mr. Forsyth: If the hon. Gentleman is pressing me to express a view, I have to say that I would prefer a tax on child benefit, but that has the great disadvantage that it does not overcome my principal objection, which is that we would still have large numbers of bureaucrats giving out and taking back money. That would mean that less money would be available for the pockets of the families who needed it.

I should like to return to my broad theme, which arises from the speech of the hon. Member for Oldham, West. The Opposition make promises which they cannot possibly fund or keep, and they direct the whole of their energy to misrepresenting the real benefit achievements and the benefits to the Health Service that have been made by the Government.

The most astonishing thing about this uprating is that it costs £420 million, and we are being attacked by the Opposition and by people outside the House over the small percentage increase which arises as a result of our success in reducing inflation. If Britain were ever to be "blessed" with a Labour Administration with a commitment to create inflation of the sort that we heard about from the hon. Member for Oldham, West, the cost of simply meeting the obligations to keep up with prices would be so enormous that the Labour Government would be unable to meet the existing commitments to the benefits system.

The hon. Member for Oldham, West told the House that the Government's record on the Health Service was a disgrace and that it was repudiated all over Britain. To say that shows as much nerve as the nerve that he had when he spoke about the pensioners' Christmas bonus. The last Labour Government made cuts in the Health Service capital programme and cut the spending programme. That is in contrast to the present Government's record. I did not intend to speak in this debate until I heard the hon. Gentleman's speech, but perhaps I could conclude on a lighter note. I obviously missed the code defined by the hon. Member for Birkenhead, but as I listened to the Opposition speeches I was reminded of the lines by Kipling:

> "Dreaming of things they meant to do,
> All complete in a minute or two,
> Something noble and grand and good,
> Won by merely wishing we could."

5.53 pm

Mr. Nick Raynsford (Fulham): I shall confine my remarks to the upratings in the housing benefits scheme and ask for the indulgence of the House for going into relatively complex and difficult calculations. I have to do that because this is a difficult and complex subject. The increase in the needs allowance under the statutory instrument that we are considering is substantially less than it would be if the traditional formula that applied in previous years had been adopted. Therefore, it will be necessary to outline the traditional formula.

The needs allowance that has existed effectively since 1972, when a Conservative Government introduced a rent rebate and allowance scheme, has four elements. The first element is the supplementary benefit long-term scale rate; the second is 40 per cent. of the average council house rent; the third is 40 per cent. of the average rates; and the fourth is 100 per cent. of the average water rates. The logic behind that is that people who receive standard housing benefit, as it is now known, have an income that is generally above the supplementary benefit scale and have to meet a proportion of their rent and rates and 100 per cent. of their water rates. The formula was calculated to try to ensure that they are left in a broadly comparable position to people on supplementary benefit who receive a larger amount of assistance towards those housing elements.

This year the traditional formula has not been applied and the Government have said that they are applying the same increase to the housing benefit needs allowance as they have applied to the increase in the pensions, that is, 40p for a single pensioner and 65p for a couple. Let us leave aside for the moment the fact that that increase is insulting and derisorily small and has been almost universally condemned by people interested in the welfare of pensioners.

The critical question to be asked is: what would the increase in the needs allowance have been if the traditional formula had been applied? This is relatively easy to establish. We know that the supplementary benefit long-term scale rate being put forward by the Government for a single person is £37·95. Forty per cent. of the average council house rent, which is currently £16·57 a week, amounts to £6·63, and 40 per cent. of the average rates, currently around £7·50 a week, is £3, and 100 per cent. of the average water rates is £1·78. That gives a total of £49·36. Allowing for the normal practice of rounding that to the nearest 5p, we arrive at a figure of £49·35. That is the figure for the needs allowance of a single person had the traditional formula been adopted.

Instead of applying the traditional formula, the Government have brought forward a statutory instrument proposing that the actual needs allowance will be £48·10. That is, £1·25 a week below the amount that it ought to be. There has been no explanation from the Government about this shortfall and no apology for it. It has simply been presented to us in the hope that the obscure nature and complexity of the formula will result in no one noticing the difference. It is not a shortfall of a few pence, as one might have inferred from the speech by the Minister who opened the debate. He implied that there were various adjustments because it was only an interim increase, and that the amounts involved were only a few pence. By no stretch of the imagination is £1·25 a week a few pence: it is a significant shortfall.

What are the implications of that £1·25 shortfall? According to the last answer given by the Minister to a question that I put to him about a month ago, approximately 3·99 million households receive standard housing benefit. That is one in five of the population and represents a significant number of people. What is the average loss to those people because of this strange change in the formula for uprating their benefit? It is not £1·25 because, of course, the formula is complex. The £1·25 is the amount of the needs allowance, but the actual benefit depends on the amount of a person's income in relation to the needs allowance. If a person's income is exactly equal to the needs allowance, he will receive 60 per cent. of his rent and rates.

Someone whose income is exactly equal to the needs allowance will suffer a loss of 75p, which is 60 per cent. of £1·25. For those people whose incomes are above or below the needs allowance, the loss will vary, partly depending on how far the income is above or below the needs allowance, and partly depending on other factors. It is impossible to give an overall figure for every claimant, but I should like to come back to certain parameters. For a person on the needs allowance, the average loss will be 75p a week, equal to £39 a year. That is the sort of loss that these people will suffer as a result of the Government's increase and the Government have not had the honesty to tell anyone about that loss.

Mr. Frank Field: Give way and allow the Minister to answer now.

Mr. Raynsford: I will give way to the Minister in a moment if he wants to reply.

If that loss of £39 a year applied to every housing benefit recipient—and I do not claim that it does—the total saving to the Government would be £155 million a year. That is a significant amount. In reality, I expect the Government's savings will be less because of the complex formula. I have consulted the Library on this, and it gave me the estimate that the total savings for the Government are likely to be about £100 million in the course of a year. We are dealing with a Government who are making covert savings of between £100 million and £150 million without having the honesty to tell the House about it. That is a serious matter.

I put these figures forward not in the confidence that they are precisely accurate because, as I have explained, a complex formula is involved and it is difficult to be precise, but because I have no other option. A month ago, I asked for detailed figures on this. I asked the Secretary of State for Social Services:

"what savings in expenditure on housing benefit he expects to make in the 1986-87 and 1987-88 as a result of his proposal to increase the main housing benefit needs allowance in July 1986 by the same cash amounts as the retirement pension rather than according to the normal uprating formula."

The hon. Member for Huntingdon (Mr. Major) replied:

"No comparison is available since the traditional uprating formula, which has sometimes produced reductions in entitlement in the past"—

that is an interesting comment because in my memory there has never been a reduction in the needs allowance—

"could not be used on this occasion because the measurement period for the transitional July uprating covers only May 1985 to January 1986."—[*Official Report*, 12 May 1986; Vol. 97, c. *381*.]

That was a convenient answer for the Minister because it allowed him to avoid facing the fundamental question about the amount of the saving.

[Mr. Raynsford]

Our complaint is that, because the Government have gone away from the traditional uprating formula, there has been a significant cut in housing benefit and a significant saving for the Government, about which they have not come clean. I notice that the Secretary of State is seeking advice on this point. I hope that he gets good advice so that he will be able to inform the House of it.

Who will lose as a result of these changes? In total, about 3,990,000 households receiving standard housing benefit will be affected. Of those, 2·63 million pensioner households will be affected, and will have losses inflicted upon them because of this covert cut in benefit. Some 1·5 million home owners and 1·85 million council tenants will suffer losses because the Government have chosen, secretly and furtively, to cut housing benefit, but have not had the honesty to admit to the House that that is what they are doing.

Mr. Major: Before the hon. Gentleman proceeds with categorical assertions such as this, I point out that it is within the recollection of the House that a few minutes ago he said that he does not have confidence in his figures. Until such time as he does have that confidence, I hope that he will make it clear to the House that his assertions are based on figures that have not yet been examined, and certainly not conceded by the Government.

Mr. Raynsford: As the Minister will also recall, I was talking about the number of households that will suffer losses. I have been able to give these figures categorically because the Minister gave me these figures in answer to a question that I posed a month ago. The figures that I said that I could not give precisely are of the total savings to the Government, because he declined to give me that answer. Therefore, I can state on the basis of his answers that about 4 million households are affected, including about 2·5 million pensioner households, 1·5 million owner-occupiers and 1·8 million council tenants. Those are the Minister's figures. The extent of the loss and the total savings to the Government I cannot give because those figures have been denied me. I hope that the Minister will answer that challenge.

I remind the House that this is not the first time that recipients of housing benefit have suffered loss at the hands of the Government. Some 2·2 million households lost benefit in April 1983 as a result of changes to the housing benefit formula at that stage. In April and November 1984, a further 2 million households lost as a result of further adjustments — cuts imposed by the Government that some Conservative Members had the courage to oppose. In April 1985, a further 90,000 households lost as a result of further changes involving people in areas with high rents, and in November 1985 a further 2 million households lost because of changes to the rate rebate taper formula, a complex issue.

The Government's cuts to the housing benefit scheme have caused extensive losses involving hundreds of millions of pounds. Additionally, the Social Security Bill, which the House recently considered, proposes further swingeing cuts in housing benefit, which will reduce benefit to millions of households and will give the Government a saving of about £450 million. On top of that, we have an unannounced cut that could involve the Government in savings of upwards of £100 million, about which they have not come clean.

What is the Government's case? The two possible answers that I sensed from the opening speech made by the Minister for Social Security were that the increase has been done in a way aimed at preventing administrative problems to local authorities and the DHSS caused by having different upratings for different benefits. That is a somewhat unconvincing argument coming from a Government who have consistently adjusted the formulae for housing benefit, often at short notice and involving considerable administrative problems for local authorities to make cuts. Why is it that, on this occasion, when doing the thing properly would have been to the benefit of households in receipt of housing benefit, the Government are not prepared to do so? If they can make administratively difficult adjustments to make cuts, can they not do the same to be fair to claimants? Going on the basis of their previous cuts in housing benefit, that argument seems pretty crude and unconvincing.

The second argument that the Government may advance is that they could not adopt the formula because the uprating came earlier than usual and they did not have the information on the increase in rent and rates to make the assessment. This would be a convenient argument if it carried water, but it does not because the Ministers in the DHSS had only to ask their counterparts in the Department of the Environment what sort of figures they were anticipating for average rent increases in April this year and they would have had an answer. When the new needs allowance was announced by the DHSS, the Department of the Environment was giving advice to local authorities that it was expecting — and this was the basis on which subsidies to local authorities were being calculated — an increase in rents of about 65p.

It would be nice if there were more co-ordination between the Government Departments and if the DHSS actually spoke to the Department of the Environment and asked about these figures. Had it done so, it would have had a solid basis on which to make the uprating assessment. Sadly, this appears to be yet another occasion when the DHSS did not speak to the Department of the Environment about matters that require co-ordination for social policy purposes. One thinks of the long, sad history of the board and lodging allowance cuts, of the proposed cuts on mortgage support in supplementary benefits. In particular, one thinks of the housing benefit cuts, in which the DHSS appeared to be taking unilateral action that had a serious impact on housing policies, but did not have any discussion with the Department primarily concerned with housing policy before making its announcement. Those arguments are unconvincing. If there were a will, undoubtedly a way would be found to ensure that the proper uprating would have been given.

If the Government wanted to apply the normal formula, they could have found a pretty sound basis for doing so. Instead, they chose conveniently to ignore the traditional formula. It was convenient to them because their alternative formula cut benefit increases and substantially reduced expenditure. I shall be interested to hear what the Minister has to say about this.

This occasion contrasts markedly to what happened a year ago, when the DHSS made a swingeing increase in the non-dependent deductions under the housing benefit scheme of some 18 per cent., far ahead of the uprating in benefits. They justified it on the ground that there is an arcane formula used for assessing non-dependent deductions, although anyone in the know knows that that

is based entirely on owner-occupier costs and the majority of housing benefit recipients are tenants, so it is a most dubious formula. However, the Minister justified the increase on the basis that his time-honoured formula had to be adopted. If that logic was good enough when cuts were in the wind, why is it not acceptable now when claimants have a right to receive a proper and reasonable increase?

The Minister's arguments were unconvincing. A third argument that may be advanced is that this is only temporary because next year, when the April increase takes place, the rent increases that apply this April will be taken into account and it will all catch up in the end. That argument is equally unconvincing on two counts. Why should claimants have to wait that length of time in order to catch up and, secondly, in effect it will not be catching up because by that stage it will be a year after the rent increase before the formula comes into effect. In other words, there will have been a one-year time lag, as a result of which claimants will have lost money.

I can find no justification whatsoever for the Government's action. This proposed increase, which breaks the traditional formula, is a dishonourable action. I am concerned about the lack of any frank information and the Government's unwillingness to answer my questions. The House deserves proper answers from Ministers. In the absence of such answers we should insist on these regulations being annulled and instead insist on a fair and proper increase in the housing benefit needs allowance.

6.11 pm

Mr. Martin M. Brandon-Bravo (Nottingham, South): I deeply regret that the hon. Member for Oldham, West (Mr. Meacher) is no longer present, because it was obvious from the way in which he delivered his speech that he believes his brief. He must also believe that the British people are just about the most gullible in the world if he thinks that they will swallow what he said. We were treated to a stream of telephone numbers in relation to the kind of money that the hon. Gentleman would spend if he became Secretary of State.

The hon. Gentleman ignores — and I know that his leader tries to ignore — the fact that he is not the only shadow spokesman who talks in telephone numbers when informing us of what Opposition Members will spend when they come to speak — I hope that they never do — from the Government Dispatch Box. Depending on which newspaper one reads, the figure varies between £24,000 million and £30,000 million more in a financial year——

Mr. Major: And that was before this afternoon.

Mr. Brandon-Bravo: My hon. Friend is quite right.

The hon. Member for Oldham, West ought to note what was said by his right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) just after the general election in 1983. I hope that the House will forgive me, because I do not have the *Hansard* with me, but I think that I paraphrase the right hon. Gentleman correctly. He said that his party had pledged additional spending of £17,000 million a year, that the British public would not be fooled and that his party's policy therefore lacked credibility. We are going through that same process again, and the Labour party's case lacks the same credibility.

I wish to speak about our pensioners, who constitute a substantial part of our population. They also will not have been fooled by the speech of the hon. Member for Oldham, West. After all, those people grew up with very different values from those that the hon. Gentleman would support. They valued thrift and independence rather than dependence, a philosophy of which the Labour party seems to make a virtue.

The Labour party also seems to dismiss as irrelevant and unimportant those pensioners who have savings. I think the comment was made that there were not many of them.

Mr. Frank Field: The duchesses.

Mr. Brandon-Bravo: Not duchesses, Mr. Birkenhead, just ordinary working class pensioners who have put a little bit by for the eventual rainy day, and who after five years of Labour rule found that their little nest egg had become worthless.

Mr. Field *rose*

Mr. Brandon-Bravo: I shall not give way for the moment, because we are running short of time. We are not going down that road again

Mr. Raynsford *rose*

Mr. Brandon-Bravo: The hon. Gentleman spoke for a long time and another of my hon. Friends or perhaps even another Opposition Member may still be waiting to speak.

All too often we tend to forget that at long last, after many years, people's savings that are locked away in building societies are now earning a greater return than the rate of inflation. That is important to many of our pensioners who want their savings protected and who rely on the little extra that building society interest gives them. As my hon. Friend the Member for Stirling (Mr. Forsyth) pointed out, it is foolish to talk as though squeezing the rich will be sufficient to deliver all the fancy promises that we have heard from the Labour party.

I think that it was at the Labour party conference in 1976 [HON. MEMBERS: "Were you there?"] We all watched the television — that the right hon. Member for Leeds, East (Mr. Healey) then used the phrase that the Labour party would squeeze the rich until the pips squeaked. But as my hon. Friend the Member for Stirling said, he discovered that there were not enough such people to deliver the kind of promises that had been made by the Labour party, and at the end of the day everyone was paying more.

Mr. Andrew Rowe (Mid-Kent): It should not escape our attention that the view of the shadow Chancellor about who would need to be taxed more heavily changed markedly when he discovered the average take-home pay of a prison officer.

Mr. Brandon-Bravo: My hon. Friend makes a valid point. Indeed, the figure identifying the wicked rich has been raised from £20,000 to £30,000, because people do not have to hold very important posts for a husband and wife to discover that they are over the £20,000 limit. Those are the very families that the shadow Chancellor would wish to squeeze.

I hope that the hon. Member for Birkenhead (Mr. Field) does not think me patronising, but I believe that he was the first Labour Member at least to have the honesty to say that one must present a balanced package. Labour Members must be honest enough to say that, if they wish to spend astronomical sums, they must come to terms with

[Mr. Brandon-Bravo]

how they would raise them. The honesty of the hon. Member for Birkenhead is perhaps the reason why he speaks from the Back Benches rather than from the Opposition Front Bench.

Like Ministers, I share a sense of unease and uncomfortableness about the 40p adjustment. I know the reasons for it. I was delighted, as was everyone, at just how low inflation had fallen. On that basis, the 40p was technically correct. Some said that it was so small a sum that perhaps it should not have been paid at all and that the payment should have been left until April. I have no doubt that if the Minister had taken that view we should have heard an even louder squeak from the Opposition Benches because pensioners would have had to wait for 18 months. It was the classic Catch 22 the no-win situation.

If we can maintain that very low rate of inflation as I believe we can and if the economy continues to grow, I hope that Ministers will persuade senior colleagues that we should do a little more for our pensioners next April than merely deliver our promise. I am glad that we made that promise and that it has been kept, but we should offer pensioners a little more out of the growth of the economy so that they can enjoy some of the benefits flowing to those in work.

I say that because I am conscious that the cost of living for our pensioners is different from that shown in the conventional cost of living index published in newspapers. I have no figures to prove my assertion, but I guess that the average pensioner does not benefit from a fall in the mortgage rate or from a fall in the cost of petrol. I do not know by what mechanism we can truly establish the cost of living for the bulk of our pensioners, but if it can be established, I hope that my senior colleagues will try to make some move towards delivering a rise next April for our pensioners in line with their cost of living, which is so different from ours.

Mr. Raynsford: In view of what I said earlier about 2·5 million pensioners suffering losses because of the failure to uprate housing benefit needs allowance properly, does the hon. Gentleman accept that an effective improvement could be made for pensioners, including those with savings whose income is above the supplementary benefit level, by pressing the Government for a proper increase in housing benefit this July?

Mr. Brandon-Bravo: When the hon. Gentleman rose and apologised to the House for getting involved in technicalities, I guarantee that, 30 seconds later, he had lost the attention of most hon. Members. That happened not only on the Government side; I saw blank looks of amazement on the faces of most of his hon. Friends.

In Nottingham this winter the local newspaper ran a magnificent campaign for the old and cold. It raised a lot of money, with which it made specific grants to people identified by their neighbours as being in trouble over heating payments. It was with a sense of unease that I accepted that the newspaper had to conduct such a campaign, but I was glad that it did. It was good to see the public responding so well to the appeal.

An interesting sidelight on that campaign for the old and cold is not addressed by all the arguments about additional heating payments. Two or three weeks ago Nottingham university staged an open day. One of the exhibitions was about cold and its effect upon human beings. I suppose that I was subconsciously aware of what the exhibition demonstrated, but it had never been brought to my attention in such a forceful way.

The exhibition was about the effect upon our elderly of a poor diet. The professor at the university said that poor diet probably had a greater impact on death through hypothermia than the temperature in an elderly person's home. On reflection, most of us will realise older people want a higher temperature in their homes than we find comfortable. Many elderly people have the strange belief that they do not need to eat as much as most of us. They eat less and less as they get older, and that is one of the major causes of the tragic loss of life through hypothermia.

Perhaps the Government can do something about that. I hesitate to make suggestions because it is difficult to persuade an old person that eating properly is as important as keeping the gas fire on all day.

I agree with hon. Members on both sides of the House that the weakest in our society are affected by inflation. It is no good saying, as members of the Labour party and of the alliance say all too often, that a few extra points on the cost of living index do not matter. They really do. We do no service to our community by arguing that it does not matter if inflation is a few points higher so long as benefits go up in line with that inflation. We cannot have it both ways. If we accept that philosophy, we shall be back to the earnings-related benefits argument. I hope that the Government continue to make inflation their top priority. If we can keep inflation down to tiny percentages, even if we cannot achieve zero, we shall do the greatest service to those at the bottom of the income scale and to our pensioners.

6.27 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): I wish to speak briefly to the second order, on supplementary benefit uprating, but first I should like to respond to what the hon. Member for Nottingham, South (Mr. Brandon-Bravo) said. Surely he was not saying that research at Nottingham university demonstrated that diet is more important for the elderly than a warm house. I should have thought that a sensible diet and a warm house are very important to the elderly. The hon. Gentleman might not have said that, but that is what I understood.

The hon. Gentleman spoke about people in work. I am sure that he does not need to be reminded that the numbers of people in work and out of work are not evenly distributed throughout the nation. A large proportion of my constituents are utterly dependent on supplementary benefit and other payments. Indeed, over the past six years there has been a 94 per cent. increase in the number of supplementary benefit claimants in Greenock and Port Glasgow.

About 21 per cent. of the population in Scotland live on or below the supplementary benefit level. In Strathclyde the figure is 26·8 per cent.; in Glasgow 39·5 per cent. of people with dependants live on social security payments, while in my constituency about 33,000 people live on or below the supplementary benefit level. Therefore, upratings are of great importance. It is both inevitable and predictable that there will be pronounced and profound differences in this House on the means by which we reform the system of social security. As I said

many times in the Social Security Bill Committee, we have a ramshackle system of social welfare, of which these upratings are a part.

The Minister said that the regulations covering severe weather payments were being reviewed. I hope that it will not be too lengthy a process. I have spent some considerable time arguing the case for these payments. My hon. Friend the Member for Birkenhead (Mr. Field) asked whether those payments could be made to those saddled with additional fuel bills because of the past few weeks of unseasonably cold weather. He was not being facetious. The severe weather payment is based upon the additional costs brought about by the additional fuel consumed in unseasonably cold weather. Indeed, the Minister said that in February such payments were made to 57,000 pensioners and others in Scotland. It is an important issue and my hon. Friend was right to request payments because of our exceptionally cold summer. Despite what the hon. Member for Nottingham, South said, people need warm rooms, and this has been a dreadful summer.

I also agree with much of what my hon. Friend the Member for Birkenhead said about the dangers of inflation. He made sound sense. However, as well as the spectre of inflation and the distress caused by constantly increasing prices to those on low incomes, especially pensioners, we also have the problem of structural unemployment. More and more people are deeply affected by economic decline. The male unemployment rate in my constituency is at the scandalously high level of 26 per cent., and there has been a 94 per cent. increase in the number of supplementary benefit payments during the past six years. To some extent, that has been generated by the disastrously inadequate and antiquated economic policies of this Government.

It is right and proper that we should all put our minds to the reform of the system of social welfare, although there are bound to be differences across the House. We must consider an increase in taxation for some of those in work, especially the better off. We all have an obligation to protect and promote the interests of the needy in our constituencies. As I have already said, 33,000 people in my constituency are on or below supplementary benefit level yet it is not the area most heavily affected by structural decline on the Clyde or in other parts of Scotland. It is right that we should examine ways to change the system. I believe that the Labour party system is much better than that supported and promoted by the present Administration.

6.36 pm

Mrs. Margaret Beckett (Derby, South): This has been an extremely interesting debate. I apologise for not having been present throughout, although I have been here for the larger part. I have certainly been here long enough to realise how many of the main points of concern have been ably expressed by hon. Members on both sides.

My main point, which has been made already but bears repeating, is the extent to which our debate is about an opportunity lost. The hon. Member for Lincoln (Mr. Carlisle) suggested that the Government should take credit for the lower levels of inflation that we now enjoy. Over the past few years they have done nothing else, although they have not wanted to take the blame for some of the problems that have accompanied that.

Because the rate of inflation is comparatively low, it gives the Government a great opportunity to do more than the rate of inflation and to do so, relatively speaking, inexpensively. It has been an extraordinary feature of this and other uprating debates that Tory Back Benchers, clearly following the arguments put to them, speak as though it would be inconceivable generosity were the Government to do rather more than increase benefits in line with the increase in prices—as though the standard of living of the poorest members of the community was being fully protected by this and other upratings.

It is important to remember that when in 1980 the Government decided to break the link between earnings and benefits and to retain only the link between benefits and prices the then Secretary of State, in specific and unqualified terms, said that the Government's intention was not merely to increase benefits in line with prices year after year but to take the opportunity—this is his argument, not mine—presented by the economic difficulties in which the Government found themselves to break the link with earnings that was at that time a statutory and bounden duty on the Government and to retain only the statutory duty to increase in line with prices.

I was under the impression that the Chancellor of the Exchequer, let alone the Secretary of State for Employment, believes that we are now in a time of prosperity—that there has been great success in the Government's economic and industrial policies and that things are now substantially better than for many years past. On the basis of the argument put forward by the previous Secretary of State in 1980, surely it is now opportune for the Government to do as they indicated in 1980 they had every intention of doing—from time to time to make a one-off increase in benefits in line with earnings, although they did not intend to do that every year.

The reason that the Secretary of State of the day gave that assurance was a reason of importance which stands today. His recognition that to link benefits only with prices meant, as it means now, a steady and inexorable decline in the standard of living of the poorest members of the community. That is clearly evident now regarding pensioners. The figures are known. A single pensioner has lost about £4 a week through the break with earnings, and a married couple have lost about £7 a week.

It is evident how much people have dropped behind in terms of living standards when one looks at the long-term predictions of the Government Actuary regarding pensions. Even before the Government got their grubby hands on the state earnings-related scheme, the Government Actuary showed that over a period of years the basic pension so declines in value when linked only with prices that even with the addition of an untouched earnings-related scheme the total pension gradually declines until it is below that of a basic pension today. Those are the Government's own figures and predictions.

The value of child support is being eroded. Not even the £175 million cut last year from child benefit has been restored. The value of child support is now less than it was 30 years ago.

I could not say that one would welcome a decision to leave non-dependent deductions in housing benefit where they were but, as my hon. Friend the Member for Fulham (Mr. Raynsford) said, the Government, having introduced that deduction at an exorbitant and unjustified level, disproportionate to the cost of rent and rates, increased it last year by an amount substantially above the rate of

[Mrs. Margaret Beckett]

inflation. The fact that the Government did not choose to increase it this year is, I suppose, to be welcomed, but it does not mean that we have forgotten how much they took from such families last year. The deduction affects poor families with young adults who are in work. The decision to scrap the non-household rent addition is a blow to many needy families with young adults out of work. It is a further blow to their independence.

It has been said that, since the Conservative party has been in government, about £1·5 million has been saved at the expense of the young in particular and that substantial savings along those lines are likely in the Social Security Bill. How much do the Government expect to save from the change? We know that, when the Government made similar changes in 1983, they saved £20 million. A further set of changes in 1985-86 saved another £45 million. We shall be interested to learn how much has been saved at the expense, in particular, of young people forced to depend on benefits.

My hon. Friend the Member for Fulham, in an interesting and excellent speech on housing benefit, not only educated many hon. Members — as the hon. Member for Nottingham, South (Mr. Brandon-Bravo) conceded — in the intricacies and byways of housing benefit but put most pertinently to the Government a number of questions on the impact of their changes. It remains for me only to say that I hope that on this occasion the Minister will say whether my hon. Friend the Member for Fulham was correct in asserting that savings of £100 million or £150 million will be made. If he says that my hon. Friend is incorrect, he might tell us the order of magnitude of the sums involved.

The Government have lost an opportunity to restore some of the determination in living standards over recent years for the poorest members of the community. They have seized an opportunity to make more savings along the way, hoping that, because they are made by way of obscure technical adjustments, no one will notice — that is, no one other than the 4 million households which will be affected by the changes in housing benefits. They have seized an opportunity to make the minimum possible increase in benefits.

Much has been said in the House about the amount of the social security budget, implying that the Government are being generous. It should be clearly on record that every year since the Government broke the link with earnings they have given the minimum possible — the minimum that they are forced to do by law — to the poorest members of our community, whereas in every Budget they have brought in they have been generous to those whose needs are least.

My hon. Friend the Member for Fulham said that the Government could have taken account of changes still to come and not made the full savings that they can make because of the time of the uprating, if they had consulted their colleagues in the Department of the Environment. If not this year, in which year will the Government make up the losses? The hon. Member for Nottingham, South said that he hoped the year would come when the Government felt able to give back to the poor some of the living standards that they have lost over recent years. We all hope that that year will come, but since it has been six years since the change was made, we wonder when that will be. Perhaps the hon. Member for Nottingham, South should pin his hopes, as should the pensioners and the unemployed, on a pre-election giveaway. Judging from the Government's track record so far, I am not sure that even those hopes should be strong.

The Government say that the poor are being protected in the uprating just as they say that the National Health Service is prospering, the economy is booming and everything is for the best in the best of all possible worlds. Even Conservative Members clearly realise that that is not the reality of how the Health Service or much else is perceived. There have been some signs in today's debate that they are beginning to realise that the same is true about the rest of the welfare state. We welcome their conversion. We hope that the pressure that they bring to bear will mean that next year's uprating will, for once, implement the pledges given by a former Secretary of State six years ago.

6.45 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Major): This has been an intriguing debate, spiced with assertion that has, as is traditional on these occasions, ranged far further than the question of uprating. I have no objection to that. As usual, there has been a mixture of informed and constructive comment, and other comment which it would be kindest to characterise as unhelpful. What has been consistent about the contributions from the Opposition Benches is that there have been times when one might been forgiven for believing that the debate was about reductions in benefits rather than orders which increase the main benefit rates and add some £420 million in a full year to social security spending. As I noted what was said, I wondered whether we were debating the draft regulations that I have considered carefully over recent days.

It is worth re-emphasising at the outset that the uprating fulfils our undertaking to increase pensions and other linked long-term benefits in line with the movement of prices. It is an oddity that the pursuit of low inflation, which has been the prime aim of Governments for 20 years, should, once achieved, give rise to criticism over benefit increases.

If the Opposition were presiding over, say, a 16 per cent. inflation rate — I pick the average rate during their last term of office, fearing that their spending plans would re-create that wicked cycle of rising prices and falling prospects — they would no doubt regard it as a matter of pride to protect benefit values by increasing rates by a similar amount. But when we protect benefit values, and savings too — as one of my hon. Friend's trenchantly pointed out — by bringing down inflation, that is a matter for criticism regarding benefit increases.

In reality we must get used again to living in a world of low price rises, when neither benefits nor, I hope, earnings need to go up by enormous amounts simply to keep up with the cost of living. Clearly, it will take some psychological adjustment. I am sorry to see that many Opposition Members are clearly maladjusted in that respect. The only logical conclusion one can draw from much of what they said was that they would like inflation to be higher so that pensioners and others can be given a larger increase.

Although the circumstances of the uprating are exceptional, and the small increase in benefits is due partly to the interim nature of the uprating, it is clear that the downward path of inflation, which thankfully looks as if

it will continue, means that it is possible for future uprating debates to be held against a background of low inflation. I am grateful to my hon. Friends the Members for Stirling (Mr. Forsyth) and Lincoln (Mr. Carlisle) and the hon. Members for Birkenhead (Mr. Field), and Roxburgh and Berwickshire (Mr. Kirkwood) for acknowledging clearly and without equivocation the full value of low inflation for those on modest incomes.

The hon. Member for Oldham, West (Mr. Meacher) made a rather expensive speech. No doubt it was enjoyed by Labour Back Benchers but it will conceivably mean misery for that unlikely creature of the future, a Labour Chancellor. I was concerned, not just with what the hon. Gentleman said, but, substantially, with what he left out. He talked of what the Christmas bonus would have been worth if it had been index-linked, but he certainly did not mention what it was worth in the years when a Labour Government found it impossible to pay it. He talked of the level of pensions and what it would have been if pensions had been index-linked to earnings, but, despite being challenged, he did not say what the cost would be in national insurance contributions, lost employment and increased inflation.

The hon. Member for Oldham, West did say — I acknowledge this — that he would claw back £3·6 billion in tax from what he loosely called "the rich" to pay for his new spending programme. I must tell him that £3·6 billion may seem a large sum to him, but his promises would cost a minimum of £4·6 billion in the very first year, of which £1·5 billion would be for child benefit. The Opposition will need to look far wider than the hon. Gentleman suggested if they are to fund their promises.

Mr. Meacher: It is a fantasy.

Mr. Major: To be accused by the hon. Gentleman of citing fantasy figures is surely one of the delights of life.

My hon. Friend the Member for Stirling successfully exploded the myth that these benefit increases could be paid for by taxes on the rich. I commend his speech to the hon. Member for Oldham, West, who was unavoidably absent at that time.

The hon. Member for Oldham, West compared the Government's record with that of their immediate predecessor. Again, there was much that he neglected to say. For example, he did not say, although it is highly relevant to pensioners, that the real value of savings for a pensioner with a building society account fell by 33 per cent. during the period of the last Labour Government, largely because of precisely the same policies that the Labour party now proposes and precisely the same policies that it would use to pay for the better provision about which the hon. Member for Oldham, West talked. Some help that would be to the pensioners. I shall with relish refer the hon. Gentleman's remarks to the tender researches of my right hon. Friend the Chief Secretary, who will doubtless check carefully to ascertain whether the hon. Gentleman's promises are within the £24 billion cost of Labour's programme to date or are a substantive addition to that sum.

The hon. Member for Derby, South (Mrs. Beckett) suggested that, as inflation was now so low — I am grateful for that acknowledgment — we might have done better and that it was trivial of us not to increase benefits by a larger sum. I must say to her, because arithmetic is not a strong point on the Opposition Front Bench——

Mr. Marlow: It is non-existent.

Mr. Major: It is non-existent. My hon. Friend is characteristically less generous than me. Each increase of 1 per cent. in benefits costs some £360 million, which is in no sense a trivial sum.

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) made a typically thoughtful and constructive speech on a theme that he has pursued valiantly for many years. He will not expect me to respond to his philosophical observations, and I shall not disappoint him. But I shall confirm that we are making giant strides towards

Mrs. Beckett: Tenpence.

Mr. Major: The hon. Lady should wait to hear what I say before she disputes it. I was going to say — I shall repeat it from the beginning so that she may have its full rich flavour — that we are making giant strides towards the efficient computerised system in the Department of Health and Social Security that my hon. Friend the Member for Kensington seeks so that we can deliver an accurate and swift social security service to the public. That is what we seek and what our operational strategy seeks to deliver. I hope that my hon. Friend the Member for Kensington, who, I understand, has some objections to the social security reforms, will appreciate the structural changes in the Social Security Bill which will make a significant contribution to the increased efficiency that he seeks.

Mr. Favell: Will my hon. Friend give way?

Mr. Major: I hope that my hon. Friend will forgive me, but I must respond to a large number of points and I want to deal with as many as I can.

The hon. Member for Roxburgh and Berwickshire invited the Government to re-examine the retail price index. [*Interruption.*] No doubt he is now examining the Liberal party's defence policy! The hon. Gentleman invited the Government to examine the retail price index in the light of the results of recent reports by the Institute for Fiscal Studies. My hon. Friend the Member for Lincoln raised the same question and added that the RPI needed continuing investigation. It gets that. The construction of the RPI is the responsibility of a committee of statistical experts. At present, the retail price advisory committee is sitting. It will consider the RPI and the special pensioners' price index. I assure the hon. Member for Roxburgh and Berwickshire that the committee will take full account of the type of criticisms made by the Institute for Fiscal Studies and, as normally happens, any recommendations for re-weighting will be taken into account in the RPI from January next.

The hon. Member for Roxburgh and Berwickshire may not be aware that the RPI has done much better for pensioners than the index of changes in their spending arrived at through the special pensioners' index—the so-called pensioners' price index. The RPI has risen by some six percentage points more than the pensioners' index and the level of retirement pension by 16 percentage points more in the period from November 1978 to November 1985. Whatever criticism there may be of the RPI, it has delivered a fairer level of benefit to many people than might have been the case with other, apparently more selective, examinations of their spending patterns.

The hon. Member for Roxburgh and Berwickshire raised a number of other matters concerning future

[Mr. Major]

upratings, but I shall not surprise him by responding to them, because he would not realistically have expected me to do so.

The hon. Member for Fulham (Mr. Raynsford), with his special expertise in housing benefit, suggested — "accused" would perhaps be too harsh a word — that the Government had made covert savings in housing benefit as a result of changes in structure. I shall examine the hon. Gentleman's speech carefully, because I appreciate his depth of knowledge, but I do not for one second accept the assertion that that was a covert cut or the charges that he sought to make.

Mr. Raynsford: Will the hon. Gentleman give way?

Mr. Major: I hope that the hon. Gentleman will forgive me and hear what I have to say. In any event, he will notice that time is pressing. I shall carefully examine his comments. However, I do not believe that he was accurate.

If the Opposition vote for the prayer, they will vote against the expressed wishes of local authority associations, which were consulted and which advised us to make the change. They will vote for a reduction in help for many standard housing benefit recipients. I shall await their decision on that point with some interest. That is precisely what will happen, whether the hon. Member for Oldham, West likes it or not.

The hon. Member for Oldham, West made a great deal of the standard of living of 9·5 million pensioners and many millions of other beneficiaries. My hon. Friend the Minister for Social Security said that our record was substantial and beneficial. I confirm that. It is a record of which we are proud. It is demonstrably the case that retirement pensions have kept appreciably ahead of inflation since 1979, and it cannot be denied. It is demonstrably the case that total benefit spending on elderly people has increased in real terms by 26 per cent. in the past five years, and it cannot be denied.

That is not all. Taking together cash benefits and other programmes supporting elderly people, our spending in relation to gross domestic product is the third highest in the European Community. The hon. Member for Oldham, West chose not to mention that. Perhaps he did not know it, or perhaps he simply did not like the fact that it reflected the Government's commitment to the elderly. It is vital to consider pension levels not in isolation but in the context of all the services provided. It is those which, taken together, set the standard of living. It is those facts which the Opposition perennially ignore. The problem with the hon. Member for Oldham, West is that his spending plans are index-linked to his own verbocity. Every speech he makes has a substantial price tag.

We have carefully weighed the resources available to us and been able to achieve many key objectives without damaging the economic aims that make all social security payments possible. Without economic success there are no resources for those social security payments and that might be borne in mind. Economic success benefits nobody more than social security beneficiaries. It is reflected substantially by the uprating orders before the House and I invite my right hon. and hon. Friends to reflect upon that success and give the orders their support, and defeat the prayer should it be moved to a Division.

It being Seven o'clock, MR. SPEAKER *proceeded, pursuant to the Order [9 June], to put forthwith the Questions necessary to dispose of the motions.*

Resolved,

That the draft Social Security Benefits Up-rating Order 1986, which was laid before the House on 8th May, be approved.

SOCIAL SECURITY

Resolved,

That the draft Supplementary Benefit Uprating Regulations 1986, which were laid before this House on 5th June, be approved.—*[Mr. Newton.]*

Resolved,

That the draft Family Income Supplements (Computation) Regulations 1986, which were laid before this House on 8th May, be approved.—*[Mr. Newton.]*

Resolved,

That the draft Child Benefit (Up-rating) Ragulations 1986, which were laid before this House on 8th May, be approved.—*[Mr. Newton.]*

Resolved,

That the draft Pensioners' Lump Sum Payments Order 1986, which was laid before this House on 8th May, be approved.—*[Mr. Newton.]*

HOUSING BENEFITS

Motion made and Question put,

That an humble Address be presented to Her Majesty, praying that the Housing Benefits Amendment (No. 2) Regulations 1986 (S.I., 1986, No. 852), dated 14th May 1986, a copy of which was laid before this House on 16th May, be annulled.—*[Mr. Meacher.]*

The House divided: Ayes 168, Noes 249

Division No. 219] **[7 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter

Harrison, Rt Hon Walter
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
Maclennan, Robert
McTaggart, Robert
McWilliam, John
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Conway, Derek
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Durant, Tony
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Griffiths, Sir Eldon
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Harris, David
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Gerald *(Cannock)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kershaw, Sir Anthony
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Norman
Latham, Michael
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Parkinson, Rt Hon Cecil
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Renton, Tim
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stradling Thomas, Sir John
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan

Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
van Straubenzee, Sir W.
Viggers, Peter
Walker, Bill *(T'side N)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Whitfield, John
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tim Sainsbury and
Mr. Francis Maude.

Question accordingly negatived.

Procedure

7.13 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): I beg to move,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provisions taking effect in a future year with respect to activities of entertainers not resident in the United Kingdom and sportsmen not resident in the United Kingdom.

It might be for the convenience of the House, Mr. Deputy Speaker, if with this we take motions Nos. 8 to 16:

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision with respect to the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made by the Public Works Loan Commissioners in pursuance of section 3 of that Act.

That, for the purposes of any Act resulting from the Finance Bill, it is expedient to authorise any increase in the sums payable out of or into the National Loans Fund which is attributable to any provision of that Act increasing to £42,000 million, with power to increase by order to £50,000 million, the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made by the Public Works Loan Commissioners in pursuance of section 3 of that Act.

DOUBLE TAXATION RELIEF: ADVANCE CORPORATION TAX

That provision may be made amending section 100 of the Finance Act 1972.

PAYMENTS ON RETIREMENT OR REMOVAL FROM OFFICE OR EMPLOYMENT ETC.

That provision may be made amending Schedule 8 to the Income and Corporation Taxes Act 1970.

STAMP DUTY (LOAN CAPITAL)

That provision may be made with respect to stamp duty in relation to loan capital.

STAMP DUTY (DEPOSITARY RECEIPTS)

That provision may be made with respect to stamp duty in relation to instruments transferring securities to persons concerned with depositary receipts.

STAMP DUTY (CLEARANCE SERVICES)

That provision may be made with respect to stamp duty in relation to instruments transferring securities to persons concerned with clearance services.

STAMP DUTY RESERVE TAX (DEPOSITARY RECEIPTS)

That provision may be made for charging stamp duty reserve tax where securities are transferred, issued or appropriated after 18th March 1986 in pursuance of an arrangement (whenever made) relating to a depositary receipt.

STAMP DUTY RESERVE TAX (CLEARANCE SERVICES)

That provision may be made for charging stamp duty reserve tax where securities are transferred or issued after 18th March 1986 in pursuance of an arrangement (whenever made) relating to the provision of clearance services.

7.14 pm

Mr. Terry Davis (Birmingham, Hodge Hill): I think that it would be a good idea if the Financial Secretary to the Treasury were to explain to the House why the Procedure and the Ways and Means motions are necessary. Indeed, I think that the Minister has an obligation to do so, having presented the House with a record number of extra motions.

We realise that all Governments, Labour and Conservative, have found it necessary to introduce extra Ways and Means motions during the proceedings in Committee on the Finance Bill so that the Committee can deal with matters that it would not otherwise be able to consider. I accept that there is often a need for some extra motions to be put before the House. We have, however,

been presented with an exceptional number of extra motions. I have looked back over the past 12 years, and I think that on this occasion the Government have tabled a record number. It is a record that can be added to the Government's other records on unemployment, real interest rates and the imbalance in our trade in manufactured goods. We now have a record number of motions so that the Government can get out of the jam that threatens them in Committee on the Finance Bill.

As I have already said, I accept that there is often a need for some motions of this sort to be tabled, but we are being confronted with an exceptional number in this instance. There are no fewer than 10 Procedure and Ways and Means motions on the Order Paper.

We are bound to draw the conclusion that the Government are an Administration of indecision and dither, if not incompetence. Some of the matters that we are being asked to refer to the Standing Committee were included in the Budget statement of the Chancellor of the Exchequer. I should have thought that it would have been possible to include such matters in the Finance Bill. If that was not possible, they could at least have been included in Ways and Means motions at an earlier stage. I think that the Financial Secretary owes us some explanation of why it was not possible to include the matters now before us in the original motions, and why it is necessary to come to the House with these motions at such a late stage in the proceedings of the Committee that is considering the Finance Bill.

Mr. Lamont: The Procedure motions are permissive instructions to the Finance Bill Committee. They will enable it to include items in the Bill which it would not otherwise have been able to do. The Procedure motions cover two matters, one relating to a future year and provision for the taxation of entertainers, and the other covering borrowing through the Public Works Loan Commissioners. The money resolution is necessary because it is a charge to the Exchequer. Again, it relates to the Public Works Loan Commissioners.

One of the Ways and Means motions refers to double taxation relief and another is directed to golden handshakes. The majority of the Ways and Means motions that are causing concern to the hon. Member for Birmingham, Hodge Hill (Mr. Davis) relate to stamp duty. It has been necessary to make a number of changes in the Government's intentions on stamp duty, which is an extremely complicated tax and extremely difficult to amend. Therefore, it has been necessary in many instances to table new clauses. A new clause on stamp duty was tabled on 3 June and a Ways and Means motion was tabled on 5 June. My hon. Friend the Economic Secretary to the Treasury wrote to the hon. Member for Thurrock (Dr. McDonald) in anticipation of these changes and explained what the Government intended. I hope that that was some advance warning and explanation.

As the hon. Gentleman knows, the new clauses that have been tabled today will not be discussed in Committee until next Tuesday. I hope he will consider that that gives him some time to consider my explanations as well as the explanations that have been given by my hon. Friend the Economic Secretary. The hon. Gentleman is correct in saying that there have been a substantial number of Government new clauses this year. There have been 17. I am not sure——

Mr. Terry Davis: The hon. Gentleman has missed the point. I am not complaining about the number of new clauses that have been tabled. I have not mentioned the new clauses. I am complaining about the Procedure and Ways and Means motions, of which there are no fewer than 10. I believe that there are more than we have ever had in the House before. I accept the need for new clauses, but why are we having to deal with so many matters which apparently were not envisaged when the Bill was published?

Mr. Lamont: As the hon. Gentleman knows, the Ways and Means motions relate to new clauses, and specifically to changes in stamp duty. I do not think that they represent an unprecedented number of new clauses. As stamp duty is a tax that is so difficult to amend, some of the new clauses might be considered more in the nature of amendments. I do not want to weary the House, but there are precedents for taking new clauses and amendments together. The number of changes that the Government have made is not unprecedented. The changes are necessary for the reasons outlined by my hon. Friend the Economic Secretary to the Treasury in his letter to the hon. Member for Thurrock.

7.19 pm

Mr. Gerald Bermingham (St. Helens, South): As a member of the Finance Bill Committee and one who the Minister would agree has created some trouble over the question of stamp duty, it appears to me that these motions show that the Government, in their proposals of 19 March, had not thought through the problems about stamp duty. Indeed, a Minister admitted in the Committee that the one thing that he had done wrong as a member of the Committee was that as new Ministers had come to the Committee he had not shifted the responsibility for stamp duty to someone else. I suggested to him that perhaps he should simply resign.

We have had stamp duty since before the 1850s, and it is a well-known form of taxation. However, it requires careful and considered thought if amendments are to be made to it. It is not good enough that my hon. Friend the Member for Thurrock (Dr. McDonald) should receive a letter on 3 June saying that further amendments and new clauses are to be tabled for debate next Tuesday. When will the Government think through their philosophy on this matter?

The truth is that every time the Government make a suggestion a pressure group somewhere puts a little more pressure on them and they change their mind. The result is that there are now 17 new clauses. I do not know how many more there will be before we reach the Report stage, but I suspect that newer and newer clauses will be tabled in the same way as we have newer and newer Ministers on the Committee who do not understand what the old Ministers were doing. I suppose that that is the price that we have to pay on that Committee.

I should like to take this opportunity, on behalf of those who have to pay stamp duty, to put a plug back into the matter now as I did in Committee. I hope that the Government will reconsider stamp duty, especially in relation to good will and the reconstruction and amalgamation of companies, as was proposed in the Bankruptcy (Scotland) Act 1985. I hope that we shall have some sanity in the matter.

Treasury Ministers collectively ought to buy a book about stamp duty, sit down, read it and learn what the law

[Mr. Gerald Bermingham]

is about. They should ask their hon. Friends who sit around them, and who have knowledge of these matters, for some decent professional advice and return to the Committee with a little sanity, instead of the awful gobbledegook from which the Committee is suffering.

7.22 pm

Mr. Terry Davis: I should like to refer briefly to the comments made by the Financial Secretary. I shall not make a great fuss about the need for new clauses about stamp duty. I can understand the need for that. I appreciate that I have been told about the effect that some unfortunate illnesses have had in that respect. I am not making a fuss about that or about the lack of consultation. I appreciate the difficulties, which I believe are due to personnel problems in the Government.

That does not excuse all the motions. The Financial Secretary glided over the first two motions.

I draw the Minister's attention to motion No. 7, which deals with the future taxation of entertainers and sportsmen who are not resident in the United Kingdom. This provision was included in the Chancellor's Budget statement. Why, therefore, was a clause not included in the Bill? Why was there not a Ways and Means motion to cover that point when the other Ways and Means motions were tabled and considered by the House and agreed formally at the time?

I also draw the Financial Secretary's attention to motion No. 8. This is a Procedure motion to allow us to discuss in Committee a new clause affecting the amount of money that can be borrowed from the Public Works Loan Commissioners. I understand the need for such a clause. However, this must have been known before the Chancellor's Budget statement and before the Bill was published. It must have been known that it was necessary to increase the limit on the amount of money that can be lent by the Public Works Loan Commissioners. This must have been known before the Bill was published and before the new clause was tabled a short time ago.

I am not criticising the period for consultation. We will deal with that point in Committee if necessary. It shows a certain incompetence and lack of grip on legislation that these matters were not covered in the Bill in the first place.

7.24 pm

Mr. Norman Lamont: I am pleased that the hon. Member for Birmingham, Hodge Hill (Mr. Davis) agrees that there has been ample time for consultation.

Mr. Terry Davis: I did not say that. I said that I was not complaining about that. We will deal with these matters in Committee. The Financial Secretary should not put words into my mouth. I said I was complaining about the fact that these matters were not covered in the Bill as originally drafted. I did not want to take up the time of the House on that issue.

I must tell the Financial Secretary that I am not surprised that the Leader of the House is present, because the threat to the Government's legislative programme by this kind of behaviour is very serious. If the Opposition so wished, we could mount the kind of exercise that was mounted by Conservative Back Benchers last Thursday.

Mr. Lamont: I am grateful for the hon. Gentleman's statement that he is not complaining about the period of consultation.

The motion relating to entertainers is necessary because it relates to a future year. A conscious decision was also made that a motion was needed to cover the Public Works Loan Board. We decided that the Finance Bill was a convenient vehicle to advance the motion.

The hon. Member for Hodge Hill referred to innumerable changes, but he and his hon. Friends will know that this happens every year with the Finance Bill. In fact, in 1976, when the Labour party was in office, there were no fewer than 161 Government amendments to the Finance Bill—many more than there are now. As I have said, some of the proposals must be put forward in the form of new clauses because stamp duty is not a tax that can easily be amended. I think that at least one of the Ways and Means motions on stamp duty—that relating to loans—is more like an amendment. Today's procedure is no different from what has happened in the past when Governments have made amendments.

Mr. Terry Davis: The Financial Secretary has missed the point. He is obviously incapable of replying to my arguments. We will discuss this matter again in Committee and I do not want to delay the House by attempting to teach the Financial Secretary so that he can understand what I am saying.

Question put and agreed to.

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provisions taking effect in a future year with respect to activities of entertainers not resident in the United Kingdom and sportsmen not resident in the United Kingdom.

PROCEDURE (LOANS BY PUBLIC WORKS LOAN COMMISSIONERS

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision with respect to the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made by the Public Works Loan Commissioners in pursuance of section 3 of that Act.—*[Mr. Norman Lamont.]*

FINANCE BILL [MONEY]

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Finance Bill, it is expedient to authorise any increase in the sums payable out of or into the National Loans Fund which is attributable to any provision of that Act increasing to £42,000 million, with power to increase by order to £50,000 million, the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made by the Public Works Loan Commissioners in pursuance of section 3 of that Act.—*[Mr. Norman Lamont.]*

WAYS AND MEANS

DOUBLE TAXATION RELIEF: ADVANCE CORPORATION TAX

Resolved,

That provision may be made amending section 100 of the Finance Act 1972.—*[Mr. Norman Lamont.]*

PAYMENTS ON RETIREMENT OR REMOVAL FROM OFFICE OR EMPLOYMENT ETC.

Resolved,

That provision may be made amending Schedule 8 to the Income and Corporation Taxes Act 1970.—*[Mr. Norman Lamont.]*

STAMP DUTY (LOAN CAPITAL)

Resolved,

That provision may be made with respect to stamp duty in relation to loan capital.—*[Mr. Norman Lamont.]*

STAMP DUTY (DEPOSITARY RECEIPTS)

Resolved,

That provision may be made with respect to stamp duty in relation to instruments transferring securities to persons concerned with depositary receipts.—*[Mr. Norman Lamont.]*

STAMP DUTY (CLEARANCE SERVICES)

Resolved,

That provision may be made with respect to stamp duty in relation to instruments transferring securities to persons concerned with clearance services.—*[Mr. Norman Lamont.]*

STAMP DUTY RESERVE TAX (DEPOSITARY RECEIPTS)

Resolved,

That provision may be made for charging stamp duty reserve tax where securities are transferred, issued or appropriated after 18th March 1986 in pursuance of an arrangement (whenever made) relating to a depositary receipt.—*[Mr. Norman Lamont.]*

STAMP DUTY RESERVE TAX (CLEARANCE SERVICES)

Resolved,

That provision may be made for charging stamp duty reserve tax where securities are transferred or issued after 18th March 1986 in pursuance of an arrangement (whenever made) relating to the provision of clearance services.—*[Mr. Norman Lamont.]*

Financial Services Bill

As amended (in the Standing Committee), considered.

Ordered,

That the Financial Services Bill, as amended, be considered in the following order, New Clauses, Amendments to Clause 1, Schedule 1, Clauses 2 to 10, Schedule 2, Clauses 11 to 35, Schedule 3, Clauses 36 to 83, Schedule 4, Clauses 84 to 96, Schedules 5 and 6, Clauses 97 and 98, Schedule 7, Clauses 99 to 110, Schedule 8, Clauses 111 to 117, Schedule 9, Clauses 118 to 142, Schedule 10, Clauses 143 to 166, Schedule 11, Clause 167, Schedule 12, New Schedules and Amendments to Schedule 13.

Sir William Clark (Croydon, South): On a point of order, Mr. Deputy Speaker. I should like to make a plea on behalf of Back Benchers. We are now considering a Bill which originally had 176 pages, 167 clauses and 13 schedules. We now have 278 amendments of which 249 are Government amendments. There are also 17 new clauses, of which 14 are Government new clauses.

I hope that the Government will consider Back Benchers on both sides of the House because there has been little time for us to consider the amendments and new clauses. The Government are pushing the working of the House too hard.

I hope that my hon. Friend the Under-Secretary of State will assure me that this will not create a precedent, as it puts Back Benchers into an impossible situation.

Mr. Deputy Speaker (Sir Paul Dean): I am sure that the Government Front Bench have heard what the hon. Gentleman said. I shall, of course, keep a careful eye open for him and any other hon. Member who may wish to catch my eye on the amendments.

New Clause 1

FINANCIAL ASSISTANCE FOR EMPLOYEES' SHARE SCHEMES

'(1) Section 153 of the Companies Act 1985 (transactions not prohibited by section 151) shall be amended as follows.

(2) After subsection (4)*(b)* there shall be inserted—

"*(bb)* without prejudice to paragraph *(b)*, the provision of financial assistance by a company or any of its subsidiaries for the purposes of or in connectin with anything done by the company (or a company connected with it) for the purpose of enabling or facilitating transactions in shares in the first-mentioned company between or for the benefit of any of the following persons—

(i) the bona fide employees or former employees of that company or of another company in the same group; or

(ii) the wives, husbands, widows, widowes, children or step-children udner the age of eighteen of any such employees or former employees,".

(3) After subsection (4) there shall be inserted—

"(5) For the purposes of subsection (4)*(bb)* a company is connected with another company if—

(a) they are in the same group; or

(b) One is entitled, either alone or with any other company in the same group, to exercise or control the exercise of a majority of the voting rights attributable to ordinary share capital which are exercisable in all circumstances at any general meeting of the other company or of its holding company;

and in this section "group", in relation to a company, means that company, any other company which is its holding company or subsidiary and any other compant which is a subsidiary of that holding company.".'.—*[Mr. Howard.]*

Brought up, and read the First time.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Michael Howard): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it may be convenient to discuss amendment No. 10, in Schedule 1, page 134, line 28 at end insert

'(1A) Paragraphs 12 to 16 do not apply to anything done by or on behalf of a body corporate, or a body corporate connected with it, or trustees appointed by a body corporate, for the purpose of or in connection with the establishment, operation or administration of an employees' share scheme (as that expression is defined in section 743 of the Companies Act 1985).'.

7.30 pm

Mr. Howard: In response to the point of order raised by hon. Friend the Member for Croydon, South (Sir W. Clark), I should like to say that the vast majority of the Government amendments to which he referred emanate from points made in Standing Committee and from correspondence, often from Back Benchers. I hope that he accepts that, in large measure, they represent an attempt by the Government to respond to various anxieties that have been expressed.

New clause 1 springs out of a largely technical matter. As I said when we discussed a related point in Committee, the Government support the introduction of employee share schemes. One incentive that companies might wish to offer with such schemes might be the provision of facilities to allow beneficiaries of the scheme and their dependants to trade easily between themselves. There is room for doubt about whether the provisions of section 153(4)(*b*) of the Companies Act 1985 are wide enough to allow such facilities to be provided. This clause is intended to put it beyond doubt that they may be provided, up to the limits prescribed in section 154.

Amendment No. 10 concerns an issue that was not raised in Committee. Although I can sympathise with the concerns underlying it, I am not convinced that it is necessary. The Government are strongly in favour of employee share schemes and it is not our intention that employers who introduce such schemes should be required to be authorised. I believe that the existing exclusions in part III of schedule 1 are sufficient to achieve the desired result. I hope that, with that assurance, the hon. Member for Yeovil (Mr. Ashdown) will find it unnecessary to press his amendment.

Mr. Bryan Gould (Dagenham): I cannot help but notice that the new clause is tabled in the name of the Secretary of State, and I cannot continue without expressing, on behalf of, I am sure, the whole House, our most sincere condolences to him on his tragic loss today.

I was interested by the Minister's response to the point of order raised by the hon. Member for Croydon, South (Sir W. Clark) and I was grateful to him for conceding that the length of our agenda and many of the amendments reflect the success of the Standing Committee in persuading the Government that some substantial amendments were required. That is a tribute to my right hon. and hon. Friends and other members of the Committee.

New clause 1 is curious. The Minister conceded that it is technical. It has little to do with the central purpose of the Bill. It is more a matter of company law than authorisation for investment business. I was grateful to the Minister for his brief explanation of what the new clause is meant to achieve.

The Minister was right to say that we debated employee share schemes in Committee. I expressed the clear view of the Labour party that we favour such schemes in principle. The Minister and others will recall, however, that we argued that the exclusion of such schemes, as provided by paragraph 19 of schedule 1, was rather far-reaching as employees in those circumstances were likely to be inexperienced investors and in a vulnerable context, as they would be subject to all of the pressures of superiors at work. They are also potentially at risk from people with some form of inside information. On that basis, we argued and divided the Committee, when we had the support of the hon. Member for Yeovil (Mr. Ashdown). He voted in favour of an Opposition amendment which suggested that some form of independent advice ought to be provided in an employee share shop.

The Government opposed the amendment, partly on the ground that it would cost more money than was thought acceptable. I imagine that one of the purposes of new clause 1 is to authorise expenditure on setting up a share shop and I wonder whether the Minister has had a moment to reconsider his objection to our earlier amendment. Is he able to enlighten us? Is there anything implicit in the new clause which goes some way to removing his objections to what seemed to many of us a sensible limitation of employers' complete freedom when selling shares in their companies to their work force?

Mr. Paddy Ashdown (Yeovil): Amendment No. 10 was not intended to make a substantial change but to clarify a point. I am advised that paragraph 19 of schedule 1 is not clear enough about whether employee share schemes are included. It seems that the Government's intentions are clear but I am advised that the wording is rather too broad. Perhaps the Minister would be kind enough to explain why he believes that the matter is covered elsewhere to give us some argumentation.

Employee share schemes ought to be covered because a company which operates arrangements for employees or trustees who subscribe to or purchase shares, whether at the outset or on an exercise of options later, seems to fall clearly within paragraphs 12 and 13 of schedule 1. Paragraphs 15 and 16 would seem to apply to other activities which such a share scheme might require. The matter is not defined in the exclusions in clause 67, as is the case with occupational pension schemes.

We believe that if employee share schemes are to be included in paragraph 19 of schedule 1, that should be clear so that there can be no argument about it later. I should be satisfied if the Minister would explain why he thinks the matter is covered elsewhere.

Mr. Howard: Perhaps I may give the hon. Member for Yeovil (Mr. Ashdown) the explanation for which he has asked. We should consider, first, schemes which are operated by the company. The company may, for instance, create new shares to issue to its employees, or arrange for the transfer to them of existing shares, or grant them options. The first case is excluded from the definition of investment business by paragraph 23(3) of schedule 1, which covers the issue by a company of its own shares. The other two cases would both be covered by the exclusion in paragraph 19. This paragraph disapplies paragraphs 12

and 13 generally when the purpose is to facilitate transactions in shares between or for the benefit of employees and their dependants. Given the broad definition of "disposal" in paragraph 23(2), the allotment of shares to employees following the exercise of an option in this context would seem to be a transaction in shares for their benefit. It would therefore be excluded from the definition of investment business under the terms of the paragraph.

When a scheme is run by trustees, they will not benefit from the exclusion in paragraph 19, but unless the trustees are operating the scheme by way of business, the Bill will not apply to them, and no exclusion is necessary. That is why I asserted earlier that amendment No. 10 is not necessary.

I accept, however, that uncertainty is undesirable. The amendment would go too far, but I am prepared to consider whether the clause covers the hon. Gentleman's point completely. If it is necessary to provide greater clarity, I shall ensure that any necessary amendments are brought forward in another place.

I have to disappoint the hon. Member for Dagenham (Mr. Gould), although I suspect that that will come as no great surprise to him. The purpose of the new clause is to facilitate the giving of certain assistance by employers in order to encourage share schemes for their employees and to enable them to spend money if they so wish in a manner in relation to which there is a certain amount of doubt in the present law. That does not begin to constitute a justification for the imposition of additional and unwanted burdens by way of expenses, which led me to oppose the hon. Gentleman's amendment in Committee, which was then the subject of considerable debate.

I fear that the new clause will not give the hon. Member for Dagenham much comfort, but I hope that it commends itself to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 2

Restriction of Rehabilitation of Offenders Act 1974

'(1) The Rehabilitation of Offenders Act 1974 shall have effect subject to the provisions of this section in cases where the spent conviction is for

(a) an offence involving fraud or other dishonesty; or

(b) an offence under legislation (whether or not of the United Kingdom) relating to companies (including insider dealing), building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection.

(2) Nothing in section 4(1) (restriction on evidence as to spent convictions in proceedings) shall prevent the determination in any proceedings specified in Part I of Schedule *(Restriction of Rehabilitation of Offenders Act 1974)* to this Act of any issue, or prevent the admission or requirement in any such proceedings of any evidence, relating to a person's previous convictions for any such offence as is mentioned in subsection (1) above or to circumstances ancillary thereto.

(3) A conviction for any such offence as is mentioned in subsection (1) above shall not be regarded as spent for the purposes of section 4(2) (questions relating to an individual's previous convictions) if—

(a) the question is put by or on behalf of a person specified in the first column of Part II of that Schedule and relates to an individual (whether or not the person questioned) specified in relation to the person putting the question in the second column of that Part; and

(b) the person questioned is informed when the question is put that by virtue of this section convictions for any such offence are to be disclosed.

(4) Section 4(3)*(b)* (spent conviction not to be ground for excluding person from office, occupation etc.) shall not prevent a person specified in the first column of Part III of that Schedule from taking such action as is specified in relation to that person in the second column of that Part by reason, or partly by reason, of a spent conviction for any such offence as is mentioned in subsection (1) above of an individual who is—

(a) the person in respect of whom the action is taken;

(b) as respects action within paragraph 1 or 4 of that Part, an associate of that person; or

(c) as respects action within paragraph 1 of that Part consisting of a decision to refuse or revoke an order declaring a collective investment scheme to be an authorised unit trust scheme or a recognised scheme, the operator or trustee of the scheme or an associate of his,

or of any circumstances ancillary to such a conviction or of a failure (whether or not by that individual) to disclose such a conviction or any such circumstances.

(5) Parts I, II and III of that Schedule shall have effect subject to Part IV.

(6) In this section and that Schedule "associate" means—

(a) in relation to a body corporate, a director, manager or controller;

(b) in relation to a partnership, a partner or manager;

(c) in relation to a registered friendly society, a trustee, manager of member of the committee of the society;

(d) in relation to an unincorporated association, a member of its governing body or an officer, manager or controller;

(e) in relation to an individual, a manager.

(7) This section and that Schedule shall apply to Northern Ireland with the substitution for the references to the said Act of 1974 and section 4(1), (2) and (3)*(b)* of that Act of references to the Rehabilitation of Offenders (Northern Ireland) Order 1978 and Article 5(1), (2) and (3)*(b)* of that Order.'.—*[Mr. Howard.]*

[Mr. Howard]

Brought up, and read the First time.

Mr. Howard: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: amendment (a) to the new clause, in subsection 6(*e*) at end insert

'or employee who has contact with clients or prospective clients with a view to obtaining or soliciting orders on behalf of the investment business, advises clients or commits the investment business, for transactions in investments covered by Schedule 1, paragraphs 1, 2, 3, 4, 5, 7 or 8.'.

Government amendments Nos. 232 and 273.

Mr. Howard: A few moments ago I omitted to say, on behalf of my right hon. Friend the Secretary of State, how grateful I was for the condolences offered by the hon. Member for Dagenham (Mr. Gould). I am sure that all my right hon. and hon. Friends will wish to associate themselves with them.

In Committee, I undertook to bring before the House a partial disapplication of the Rehabilitation of Offenders Act. The clause and its related schedule fulfil that undertaking. The complexity and length of the provision indicate the care with which we have focused the disapplication. We have sought to ensure that relevant convictions will be disclosed and that the provisions of the Rehabilitation of Offenders Act will not prevent information about them from being used in appropriate cases when they call into question the fitness and properness of a person to carry on investment business.

7.45 pm

But I have been equally mindful of Parliament's intentions in passing the Rehabilitation of Offenders Act and have sought to limit the disapplication, so as not unacceptably to undermine previous legislation passed by the House which significantly affects the rights of individual citizens. I have restricted the provision so that it concerns only individuals in certain senior positions, and then only in relation to certain offences.

The clause will affect sole traders, partners and those who hold or are to be appointed to senior positions in authorised businesses, or businesses which are applying for authorisation: the positions covered, broadly speaking, are those of director, manager or controller in a company, with appropriate modification for partnerships and unincorporated associations. I propose to follow broadly the definition of manager given in the Banking Act and have tabled an amendment to clause 163 to that effect. The House will see that, under this definition, only those near the top of the hierarchy of a business will be deemed to be managers. Persons holding the same position in companies which have, or apply for, official listing will be affected in the same way: so the new clause will replace clause 130 in the present text of the Bill which provides a less focused disapplication of the Rehabilitation of Offenders Act.

The limiting of a disapplication to those persons who hold these senior positions follows the precedent of the Banking Act. The disclosure of spent convictions by less senior employees of an authorised business would both deprive a large number of people of their rights under the Rehabilitation of Offenders Act and should anyway be unnecessary as their activities will be properly supervised by the management and directors of the authorised business.

Those who will be able to put questions about spent convictions include regulators, be they the Secretary of State, a designated agency, a self-regulating organisation or recognised professional body, the competent authority for listing and a business which is authorised or an applicant for authorisation or official listing.

One novel feature of this provision is that only certain types of spent convictions will need to be disclosed or may be taken into account when determining an application. These are convictions relating to fraud or dishonesty and to offences under specified legislation of a type related to financial services banking, credit, building societies and so on. It is spent convictions of this nature which may materially affect judgments about an individual's suitability to be in charge of an investment business. Other offences which are of less relevance to the financial services sector will be outside the scope of this clause and the usual provisions of the Rehabilitation of Offenders Act will apply.

Information about relevant spent convictions may be used in determining whether authorisation should be granted, a power of intervention used or employment of a particular individual prohibited. The competent authority may use such information to refuse an application for listing.

I should remind the House that the 1974 Act contains its own built-in safeguards. Convictions do not become spent until substantial prescribed periods have elapsed. Where a conviction results in a custodial sentence in excess of 30 months, it never becomes spent, nor will any other convictions be subsequently incurred. The Act also provides that in any proceedings before a judicial authority evidence relating to spent convictions may be admitted and required if the authority is satisfied that justice cannot otherwise be done. The Act defines "proceedings before a judicial authority" widely, and proceedings concerning authorisation or admission to listing would be covered. So convictions not covered by the specific disapplication which is the object of the current clause will still be able to be taken into account in appropriate circumstances.

I believe, therefore, that the new clause provides the right balance between the need to protect investors by ensuring that responsible authorities are fully aware of the relevant previous convictions of applicants and can take them into account, and the need to maintain important rights granted by Parliament under other legislation.

The amendment tabled by my hon. Friend the Member for Beaconsfield (Mr. Smith) raises a matter which I know to be of concern to the stock exchange. Current estimates suggest that several thousand, perhaps over 5,000, employees of stock exchange member firms will be registered traders and representatives and thus would be caught by the amendment. Many more employees of other investment businesses in similar lines of investment business but not employed by stock exchange firms will also be caught, because the text of the amendment is not confined to the stock exchange.

The amendment would substantially increase the number of those who would be deprived of their rights, given to them by Parliament, through the provisions of the Rehabilitation of Offenders Act. Such a wide-ranging disapplication runs counter to the intentions of the 1974 Act.

Those carrying on the activities described in the amendment will be employees of an authorised business.

They will be subject to the managerial controls of that business and should be properly supervised. There are also safeguards in the Rehabilitation of Offenders Act itself, to which I have just referred.

Whenever one draws a dividing line, one runs the risk of being told that it should have been drawn elsewhere, but I believe that the proposals in the new clause strike the right balance. This amendment would tip that balance too far and deprive too many individuals of their rights under the Rehabilitation of Offenders Act.

Mr. Gould: The Minister was right to remind the House that we debated this matter in Committee. Our short debate then showed clearly that the problem facing the Minister, which he has explained to us again this evening, was to balance two conflicting principles.

The first was the protection and rehabilitation of those who had committed offences. Indeed, that was very much the purpose that Parliament had in mind in passing the 1974 Act. In our debate, that point was stressed by the hon. Member for Chichester (Mr. Nelson). But running counter to that was the importance, in the interest of protecting investors, of making available to the regulatory authorities all the relevant information about those who were authorised. There is inescapably implicit in the notion of authorisation some form of statement by public or quasi-public authorities that the authorised persons have in a sense passed some test or have a clean bill of health. That makes the conflict between the Act's original intention and our quite proper concern for effective investor protection quite difficult to resolve.

The Minister has done an excellent job of drafting the new clause and the schedule. By limiting the class of offence to which the disapplication applies to crimes of dishonesty in relation to financial matters, by limiting the disapplication to procedures essentially created, or provided, by the Bill, and by fairly accurately defining the sorts of relationships between those entitled to ask the questions and those obliged to answer them, the Minister has properly limited the extent of the disapplication. As a consequence, the Minister has struck the right balance in what is clearly a difficult matter.

Mr. Tim Smith (Beaconsfield): The debate in Standing Committee underlined the fact that there is a conflict of principles. It is a question of balance and of judgment as to where one draws the line. When it comes down to it, I am more interested in protecting the investor than I am in protecting the former crook. One would not know from the debate that that is not a novel restriction. Immediately after the Rehabilitation of Offenders Act was passed, the Government introduced an exception order in 1975 containing exceptions for dealers in securities, insurance companies and authorised unit trusts.

The proposal in the new clause is not unprecedented. In one sense, it is narrower than the existing exceptions, and in another sense it is wider. The proposal is wider because it extends to all the investment business which is covered by the Bill, but narrower because the existing exceptions cover dealers in securities who are not necessarily principals in their firms.

The new clause extends only to directors, managers, partners and their equivalents. Those who will be in the front line dealing with investors may be partners, directors and managers, but often they will be employees. That will be the case in stockbroking firms, which is why the stock exchange has suggested this amendment. This will also be the case with life assurance salesmen. The stock exchange suggested the amendment because it is worried about the ambit of the new clause and because it believes that the parallel with the Banking Act 1979 is not realistic as the two businesses are different.

The stock exchange says about the Banking Act:

"This Act does not have the same aims as the Financial Services Bill, and deals with an area of business which is quite different from the securities industry. Banking and stockbroking are still quite different and it is very unusual for the employee of a bank to give advice to a member of the public or solicit business on a regular, day-to-day basis without referring to his superiors in the way that the employee of a stockbroking firm does."

The employee of a stockbroking firm gives advice to the public without referring to his superiors because he must take decisions quickly. There is no time to refer to a superior about investment advice when prices change regularly. He must make decisions at his discretion and off his own bat.

The stock exchange has a fair point. We should be a little worried about the lack of application of the new clause to life assurance salesmen who will be knocking on doors selling life policies. The Government have decided that there will be no register of life assurance salesmen, but a blacklist. If such information was available, we could compile a blacklist.

Mr. Anthony Nelson (Chichester): It is important in the context of debating the new clause to remember the atmosphere in which the Rehabilitation of Offenders Act 1974 was introduced. Hon. Members who were in the House at that time will recall that there was much debate in Standing Committee and in the House to try to ensure that the extent of the restrictions was limited and that the ambit of that legislation was cast sufficiently wide to ensure that those who had spent convictions and had paid their debts to society could, in certain circumstances, start again and make new lives for themselves.

As hon. Members on the Standing Committee will know, I believe that that was a worthy objective and one that we should be circumspect about limiting. We must be clear about the ambit of restriction that we will provide in the new clause. Having said that, I pay tribute to my hon. and learned Friend the Parliamentary Under-Secretary of State, who, in drafting the new clause, took account of the opinions on both sides of the Standing Committee about the matter. Although I may not lean to the same side of the balance as my hon. Friend the Member for Beaconsfield (Mr. Smith), I believe that the Minister has struck a reasonable balance between the two conflicting objectives of the Bill and the previous legislation to try to restore and revitalise the opportunities to rehabilitate offenders.

Before we pass such a new clause, it is important to ask ourselves two questions. First, why are we seeking a restriction with regard to this form of activity? It might be argued in the context of other consumer legislation or other departmental legislation that there were similar grounds for restrictions in other parts of the 1974 Act. I would not wish the passage of the new clause to be considered as something to be built upon in other legislation, in terms of limiting the ambit or reducing the protection to rehabilitated offenders, provided under the 1974 Act. That must be seen as exceptional in the context of new legislation and not something to be extended or repeated elsewhere.

[Mr. Anthony Nelson]

Secondly, it is reasonable to ask whether the rationale behind the new clause is that there is clear evidence that the rate of recidivism among those who have been convicted of fraudulent or other dishonest offences is significantly higher than in other areas. As my hon. and learned Friend the Minister said, the 1974 legislation applies to some and not all spent convictions. One would need to be satisfied in those areas where it applies that there was a danger to the public and that if the new clause was not passed the public would be at greater risk.

I ask my hon. and learned Friend the Minister how it will be apparent to individuals applying for authorisation to carry on a business that they will need to disclose such a spent conviction. Many people who have spent convictions under the Rehabilitation of Offenders Act, and are acutely aware of the provisions of that legislation, may be under the erroneous impression, despite the passage of the new clause, that they need not answer a question put to them by the regulatory authority or anyone else about whether they have had a past conviction. Such a question should be put by the authorising or regulatory authority only when it is seeking to give them authorisation to carry on a business. It must be made clear at that time that they are not covered, as they thought they were, by the terms of the 1974 Act. Otherwise, for genuine reasons, many people might unwittingly transgress the new legislation thinking that they are protected by the provisions of the 1974 Act.

I also ask my hon. and learned Friend whether the disclosure of a spent conviction for the purposes of the legislation necessarily means that the supervisory authority will not grant authorisation to that sole trader or business. It is exceedingly difficult to ask either the Secretary of State or the designated agency to say in some cases, "Although you have declared a past conviction, we nevertheless believe that it was not sufficiently serious or not so relevant to the business for which you are seeking authorisation that we must refuse your application."

In some cases, a sole trader setting up an investment business with such a spent conviction may have reasonable grounds for being allowed to proceed with such a business and it should not mean automatic disqualification. If it implies automatic disqualification, there will be a further disincentive on the individual to come clean about that.

Many of those points have been covered to some extent in the drafting of the new clause, and I commend it, as other hon. Members have, to the House. I refer to a representation made to me, which does not agree with my view but which refers to the amendment moved by my hon. Friend the Member for Beaconsfield. Today, I received a letter from the chairman of the Securities and Investments Board, which states:

"We believe that as presently worded the clause is too narrow in its scope since it would permit the non-disclosure of convictions by employees (and prospective employees) of authorised businesses, some of whom might be placed in positions of great trust and responsibility; and also by anyone seeking exempt (or appointed) representative status under Clause 41. There is obviously a difficult balance to be struck here between the interests of investors on the one hand and the underlying aims of the Rehabilitation of Offenders Act on the other, but we still feel that rather more weight should be given to the former, as was done in relation to securities businesses in the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975."

For reasons that I have already adduced, I do not go along with that representation, but in all fairness it should be put before the House tonight.

8 pm

Mr. D. N. Campbell-Savours (Workington): I do not want to prolong the debate, but I want to ask a question, although it does not specifically relate to the matters that we are dealing with under the Bill so far as we are not dealing with Lloyd's. Will the Minister explain whether the disclosure arrangements which would exist under the Bill, subject to the Rehabilitation of Offenders Act 1974, have their parallel under the Lloyd's Act 1982? Are managing agents and operating officers within syndicates of Lloyd's required to comply with a similar provision? If not, to what extent is investor protection as adequately covered as it appears that it will be if the new clause were to have the approval of the House?

Mr. John Butterfill (Bournemouth, West): I rise briefly merely to say that I obviously respect the views put forward by my hon. Friend the Member for Chichester (Mr. Nelson) whose personal commitment and that of his family to the rehabilitation of offenders is well known to hon. Members. Nevertheless, I feel, rather as does my hon. Friend the Member for Beaconsfield (Mr. Smith), that if we are to strike a balance, in these particular circumstances we must err on the side of caution since the people about whom we are talking will be dealing with other people's money, usually the money of relatively small investors and usually money which is on an extremely large scale for those investors. Therefore, I tend to agree with Sir Kenneth Berrill that we should err even more on the side of caution than my hon. and learned Friend the Minister suggests in the new clause.

Mr. Howard: First, I thank the hon. Member for Dagenham (Mr. Gould), whose endorsement of the new clause was rather more enthusiastic than that of my hon. Friends. I am grateful too for the endorsement, however qualified, of my hon. Friend the Member for Chichester (Mr. Nelson) and I shall endeavour to respond to his three specific questions. First, I regret that I am not in a position to give him any of the statistics on recidivism which would assist him in formulating his position on the new clause. I doubt whether they are available, but whether they are or are not they are certainly not available to me this evening.

My hon. Friend's second question was whether someone would know that the 1974 Act was disapplied and that he was obliged to answer the questions being put to him. I think that my hon. Friend will find that that matter is specifically and expressly covered in paragraph 3*(b)* of the new clause, which provides that the person questioned has to be informed when the question is put that by virtue of the section convictions for any such offence are to be disclosed. I think that that covers my hon. Friend's point.

Thirdly, my hon. Friend asked whether the disclosure of such a conviction would amount to an automatic disqualification rather than simply something to be taken into account in assessing whether the applicant should be employed or authorised. There would be no question of automatic disqualification. The conviction would be a matter to be taken into account together with the rest of

the record of antecedents and character of the person concerned. I hope that that satisfies my hon. Friend on those three questions.

Of course, I understand the concern which my hon. Friend drew to the the attention of the House, which has been put forward by the Securities and Investments Board and which was commended to the House by my hon. Friends the Members for Beaconsfield (Mr. Smith) and for Bournemouth, West (Mr. Butterfill). As I think everyone recognises, this is a difficult balance to strike. Clearly, it is not the sort of balance on which it is possible to please everyone. Had I pleased my hon. Friends the Members for Beaconsfield and for Bournemouth, West, I should not have pleased my hon. Friend the Member for Chichester, nor indeed the hon. Member for Dagenham. We have attempted to strike the best balance in our judgment. It is perhaps easier for the stock exchange or, indeed, the Securities and Investments Board, which tend, perfectly understandably, and properly from their point of view, to look at a question such as this from a particular point of view and to see only one side of the question or to see one side of the question in a much more immediate perspective than the other side.

We in this House have a duty to make a much more balanced judgment. It is incumbent upon us to take into account the policy considerations that led to the passing of the Rehabilitation of Offenders Act and to give them full weight in any judgment that we make. It is for that reason that I suggest that the proper balance is that which is represented by the new clause which I commend to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 3

POWERS OF ENTRY

'(1) A justice of the peace may issue a warrant under this section if satisfied on information on oath laid by or on behalf of the Secretary of State that there are reasonable grounds for believing—

(a) that an offence has been committed under section 4, 44, 52, 111, 114 or 141(2) or (3) above or section 1, 2, 4 or 5 of the Company Securities (Insider Dealing) Act 1985 and that there are on any premises documents relevant to the question whether that offence has been committed; or

(b) that there are on any premises owned or occupied by a person whose affairs, or any aspect of whose affairs, are being investigated under section 92 above documents whose production has been required under that section and which have not been produced in compliance with that requirement;

but paragraph *(b)* above applies only if the person there mentioned is an authorised person, a person whose authorisation has been suspended or who is the subject of a direction under section 32(1) *(b)* above or an appointed representative of an authorised person.

(2) A justice of the peace may issue a warrant under this section if satisfied on information on oath laid by an inspector appointed under section 81 above that there are reasonable grounds for believing that there are on any premises owned or occupied by—

(a) the manager, trustee or operator of any scheme the affairs of which are being investigated under subsection (1) of that section; or

(b) a manager, trustee or operator whose affairs are being investigated under that subsection,

any documents whose production has been required under that section and which have not been produced in compliance with that requirement.

(3) A warrant under this section shall authorise a constable, together with any other person named in it and any other constables

(a) to enter the premises specified in the information, using such force as is reasonably necessary for the purpose;

(b) to search the premises and take possession of any documents appearing to be such documents as are mentioned in subsection (1)*(a)* or *(b)* or, as the case may be, in subsection (2) above or to take, in relation to any such documents, any other steps which may appear to be necessary for preserving them or preventing interference with them;

(c) to take copies of any such documents; and

(d) to require any person named in the warrant to provide an explanation of them or to state where they may be found.

(4) A warrant under this section shall continue in force until the end of the period of one month beginning with the day on which it is issued.

(5) Any documents of which possession is taken under this section may be retained

(a) for a period of three months; or

(b) if within that period proceedings to which the documents are relevant are commenced against any person for an offence under this Act or section 1, 2, 4 or 5 of the said Act of 1985, until the conclusion of those proceedings.

(6) Any person who obstructs the exercise of any rights conferred by a warrant issued under this section or fails without reasonable excuse to comply with any requirement imposed in accordance with subsection (3)*(d)* above shall be guilty of an offence and liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding the statutory maximum.

(7) The functions to which section 96 above applies shall include the functions of the Secretary of State under this section; but if any of those functions are transferred under that section the transfer may be subject to a reservation that they are to be exercisable by the Secretary of State concurrently with the designated agency and, in the case of functions exercisable by virtue of subsection (1)*(a)* above, so as to be exercisable by the agency subject to such conditions or restrictions as the Secretary of State may from time to time impose.

(8) In the application of this section to Scotland the references to a justice of the peace shall include references to a sheriff and for references to the laying of information on oath there shall be substituted references to furnishing evidence on oath; and in the application of this section to Northern Ireland for references to the laying of information on oath there shall be substituted references to making a complaint on oath.

(9) In this section "documents" includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form.'—*[Mr. Howard.]*

Brought up, and read the First time.

Mr. Howard: I beg to move, That the clause be read a Second time.

I shall have a word with the hon. Member for Workington (Mr. Campbell-Savours) and answer the point that he made in the previous debate. I apologise for not having done so during the course of the debate.

During the debate in Committee on amendments tabled by the hon. Member for Dagenham (Mr. Gould) on powers of entry, I undertook to look again at the matter, and this new clause has been tabled to make provision for search warrants to be issued by justices of the peace on the Secretary of State's application. There are precedents for our proposals in the Prevention of Fraud (Investments) Act 1958, which is to be replaced by this Bill, and in the Companies Act 1985.

[Mr. Howard]

Warrants may be issued with a view to obtaining documents in three types of case. The first relates to suspected offences. The corresponding provision in the Prevention of Fraud (Investments) Act relates only to breaching the restrictions on advertising. That is too narrow and the new clause therefore also embraces a number of other offences concerning unauthorised investment business, misleading statements and practices, restrictions on promoting insurance contracts, unlisted securities and insider dealing.

The second and third types of case covered by the clause are designed to reinforce the investigation powers in clause 92, when investigating authorised and certain other persons, and in clause 81. If these powers are used to require the production of documents which are not produced in compliance with the requirement, a search warrant may be issued. A corresponding provision exists in section 448 of the Companies Act, designed to reinforce the power to obtain documents in section 447.

We have considered carefully whether to limit the exercise of these powers in relation to entering the premises of third parties. A limitation is not considered appropriate where a criminal offence is suspected, but use of the power to reinforce an investigation under clauses 81 or 92 may only permit entry of premises owned or occupied by the person under investigation, or by the manager, trustee or operator of a collective investment scheme.

The new clause provides for the powers which a warrant may authorise the police and other named persons to exercise, including the power to seize documents, and to demand explanations of them. Obstruction is to be an offence.

The Secretary of State's function of applying to a justice of the peace for a search warrant is one which may be transferred to the designated agency. The normal criteria for transferring functions will have to be met, and the Secretary of State may also impose conditions and restrictions on how the function is to be exercised in the case of a suspected offence. We consider that these are sufficient safeguards for applications by the agency, which will, like the Secretary of State, have to satisfy the justice of the peace that there are reasonable grounds for believing that relevant documents are on the premises in question. It would be cumbersome if the agency had to ask the Secretary of State to make applications for search warrants on its behalf, and delay would carry the risk of documents being moved or destroyed. It would be possible for the Secretary of State to retain the ability to apply for a warrant without affecting the agency's powers to do so.

The Government believe that these new powers, founded on precedents in other legislation, will improve the effectiveness of the new regulatory regime.

Mr. Gould: The new clause is a welcome recognition of the fact that the powers hitherto provided by section 14(8) of the Prevention of Fraud (Investments) Act 1958 are still necessary.

The Minister was right to recall that in Committee I tabled an amendment to the same effect, but not so expertly drafted as the new clause. At that point the Minister took the view that clause 92 provided adequate powers, but I gather from what he now says that he recognises that a power of entry into premises is important. That is the view that we took at the time. We argued that, particularly in today's circumstances, it was of immense importance, when dealing with hardened unscrupulous criminals, that it should be possible to insist on entry to make a search, and that if that power was thought to be necessary in 1958, it was much more necessary today.

The Minister agreed with the suggestion of my hon. Friend the Member for Workington (Mr. Campbell-Savours) to consult the Securities and Investments Board about this matter. I am glad that the SIB is to have a concurrent power in this matter. The Minister's consultations with the SIB have produced a welcome outcome.

We perhaps raise an eyebrow at the limitation of the right to enter premises occupied by third parties, but I understand the Minister's reasoning for that. In broad terms we are satisfied that this power, for which we argued so strongly in Committee, is now to find a place in the Bill.

Mr. Nelson: The new clause marks a significant extension of the powers of investigation, which I welcome generally, in aid of the protection of investors.

First, I understood my hon. and learned Friend the Minister to say, and it is my understanding from the terms of the new clause, that the claim for a warrant comes into effect only where the request to disclose documents has not been satisfied. Can he confirm that that is correct? I cannot imagine many circumstances, for example, in a case of suspected insider dealing, where an individual who is asked to produce his stock contracts to show whether he has been engaged in share transactions and refuses will leave those contracts lying around long enough for a warrant to be issued and a search to be made. I am not sure whether it is intended that the powers can be invoked and a warrant issued before the other means of investigation have been satisfied.

Like the hon. Member for Dagenham (Mr. Gould), I am pleased that these powers can be applied concurrently by the SIB — the designated agency. That leaves a necessary option open which will ensure that the SIB has the means and ability to do its job, not just to supervise academically.

My second question relates to the relevance of the new clause to unauthorised persons. I am not entirely clear whether, under subsection (1), the powers to request a warrant apply only in the case of authorised businesses. What is the position for a suspected unauthorised person who may be committing a criminal offence under these provisions? What is the position for any individual, authorised or unauthorised, who may be committing the criminal offence of insider dealing? As I understand it, the power to claim a warrant in such circumstances is already provided for in separate legislation. Will my hon. and learned Friend clarify that this right to claim a warrant applies in all cases, not just those of authorised businesses?

Mr. Campbell-Savours: This debate gives the House an opportunity to have an early shot at one of the more controversial areas of the Bill. The issue is not so much the powers, which the majority of hon. Members accept as being important if the protection of investors is to be upheld and the law is to be complied with, but whether it is right that a private organisation should be able to exercise such powers in our society. I know of no precedent for this.

It is important to establish for those outside that the SIB is a private company. A private company which is no

different from Securior or a private policeman will police the City. [*Interruption.*] We have discussed the matter at length over 22 sittings in Committee, and during the past few months most of the arguments behind the scenes have been about that or the question of immunity, about which the Minister has been more flexible and has, perhaps, produced a reasonable alternative.

8.15 pm

Clause 93 states:

"The Secretary of State may authorise any officer of his or any other competent person to exercise on his behalf all or any of the powers conferred by section 92."

Basically the Secretary of State is allowing a private company to exercise these considerable responsibilities. Therefore, under the new clause a private company will be allowed to apply to a justice of the peace to secure a warrant, and with that warrant it will be able to enter

"on any premises owned or occupied by a person whose affairs, or any aspect of whose affairs, are being investigated under section 92."

That is a substantial power to give to a private organisation, and I must register my strong objection at this stage. It is not that we wish to vote against the matter tonight we do not have the time to do so because we have many amendments and important matters to discuss —but this area shows up the deficiencies that lie at the heart of the legislation.

Mr. Howard: I am grateful for the support for the new clause extended by the hon. Member for Dagenham (Mr. Gould) and my hon. Friend the Member for Chichester (Mr. Nelson).

The answer to my hon. Friend is that it is not necessary, contrary to his understanding, that a prior request should have been made for the documents if an offence is suspected and a justice of the peace is satisfied that there are grounds for believing that the documents are on the premises concerned. The answer to the questions about whose premises may be entered pursuant to the powers granted in the new clause, where an offence is suspected of the type that is identified in subsection (1) of the new clause, is that anyone's premises may be entered. I hope that those two answers reassure my hon. Friend.

I have no desire to cross swords with the hon. Member for Workington (Mr. Campbell-Savours), particularly at this early stage in our proceedings. I make no apology for the fact that these powers are to be entrusted to a private body. As I made plain repeatedly in Committee, it is my firm conviction that the role that is to be entrusted to a private body under the legislation will be discharged the more effectively because it is a private body. To suggest, as the hon. Gentleman did, that the private body would be just like Securicor, which was his analogy, is fanciful. Before the private body was designated by the Secretary of State it would have to satisfy exacting criteria prescribed in the legislation. This provides a real safeguard of the responsibility of the private body to which these powers could be entrusted.

Mr. Gerald Bermingham (St. Helens, South): If the Minister is thinking along the lines that the power of investigation of this new body can be enhanced by these new powers of search and seize, will he consider extending similar powers to Lloyd's or to other self-regulating bodies for the investigation of insurance frauds?

Mr. Howard: We are not concerned with Lloyd's or with other self-regulating bodies in the new clause or in the legislation, and I have given the reasons for that. I have carefully considered the points that were raised during our proceedings in Committee and I have been persuaded that it is appropriate for powers of this kind to be preferred. I commend the new clause to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 5

EXEMPTION FROM LIABILITY FOR DAMAGES

'(1) Neither a recognised self-regulating organisation nor any of its officers or servants or members of its governing body shall be liable in damages for anything done or omitted in the discharge or purported discharge of any functions to which this subsection applies unless the act or omission is shown to have been in bad faith.

(2) The functions to which subsection (1) above applies are the functions of the organisation so far as relating to, or to matters arising out of

(*a*) the rules, practices, powers and arrangements of the organisation to which the requirements in paragraphs 1 to 6 of Schedule 2 to this Act apply;

(*b*) the obligations with which paragraph 7 of that Schedule requires the organisation to comply;

(*c*) any guidance issued by the organisation;

(*d*) the powers of the organisation under section 49(2), 59(4) or 92(2)(*a*) above; or

(*e*) the obligations to which the organisation is subject by virtue of this Act.

(3) Neither a designated agency nor any member, officer or servant of a designated agency shall be liable in damages for anything done or omitted in the discharge or purported discharge of the functions exercisable by the agency by virtue of a delegation order unless the act or omission is shown to have been in bad faith.

(4) Neither the competent authority nor any member, officer, or servant of that authority shall be liable in damages for anything done or omitted in the discharge or purported discharge of any functions of the authority under Part IV of this Act unless the act or omission is shown to have been in bad faith.

(5) The functions to which subsections (1) and (3) above apply also include any functions exercisable by a recognised self-regulating organisation or designated agency on behalf of another body by virtue of arrangements made pursuant to paragraph 4(2) of Schedule 2, paragraph 3(2) of Schedule 3 and paragraph 3(2) of Schedule 5 to this Act.'.—[*Mr. Howard.*]

Brought up, and read the First time.

Mr. Howard: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to discuss also the following: amendment (b) to the new clause, in subsection (1), after "damages", insert—

'at the suit of any member of the self-regulating organisation or of any person, whether authorised or not, whom the organisation is authorised by this Act to investigate or supervise'.

Amendment (a), after subsection (2), insert—

'(2A) Neither a recognised professional body nor any member, officer or servant of that body shall be liable in damages for anything done or omitted in the discharge or purported discharge of the functions exercisable by the body by virtue of a recognition order unless the act or omission is shown to have been in bad faith.'.

Amendment (c), after subsection (2), insert—

'(2A) Neither a recognised professional body nor any of its officers or servants or members of its governing body shall be liable for damages or purported discharge of any functions to which this subsection applies unless the act or omission is shown to have been in bad faith.

[Mr. Deputy Speaker]

(2B) The function to which subsection (2A) above applies are the functions of the body so far as relating to, or to matters arising out of

(*a*) the rules, practices, powers and arrangements of the body to which the requirements in section 18(2) apply;

(*b*) any guidance issued by the body;

(*c*) the powers of the body under section 49(2) or 92(2) (*a*) above; or

(*d*) the obligations to which the body is subject by virtue of this Act.'.

Government amendments Nos. 42, 44, 161, 179 and 230.

Mr. Howard: This new clause touches upon a matter that has perhaps aroused a degree of controversy since the Government's decision was announced. The new clause is of considerable importance and it is appropriate for me to speak about it at greater length than I have spoken about the new clauses that we have so far considered.

When we debated this matter in Committee I said, and no doubt I shall be reminded of it, that in principle regulators should be liable for damages and that the onus was on those who favoured immunity to make the case for it. I remain of that view. I was not then convinced that a case had been made for granting immunity for recognised self-regulatory organisations. However, consistent with the open-minded and receptive attitude that I hope the House will think I have sought to display throughout the proceedings, I am now convinced that the case has been made for doing so.

Mr. Gould The Minister feels that his conversion is consistent with an open-minded attitude, but is it consistent with the principle that he expressed in Committee?

Mr. Howard: Of course it is. Principles must govern our approach to these things, and it is in the application of those principles that flexibility is appropriate. I shall seek to explain to the House why I have changed my view. I would not have been prepared to consider granting immunity to recognised self-regulatory organisations unless I believed that it was necessary to do so to ensure the effective enforcement of the Bill's provisions. On reflection, I have come to the view that immunity along the lines proposed will significantly strengthen the Bill.

Two factors led me to that conclusion. The first is that, if regulation is to be effective, a recognised self-regulating organisation needs to be able to act swiftly and decisively, sometimes on less than conclusive evidence, if it seems necessary to do so in the interest of investors. However, its financial resources will often be smaller than those of its members or others affected by its actions. There is a real risk that the prospect of a number of large claims for damages would deter a recognised self-regulating organisation from taking the actions that it believed to be necessary. That would not be in the interests of investors.

Mr. Budgen: It seems to be put abroad by the stock exchange that every time, with the benefit of hindsight, that it could be said that a judgment was mistaken, that would lead to a successful claim for negligence. If it was obvious to a judge that a regulatory authority had to move swiftly and decisively, he would have that factor in mind. That would lead to his saying that there had not been negligence. It is right, is it not, that the stock exchange has no immunity, but has never been successfully sued?

Mr. Howard: Everything that my hon. Friend says is correct. The fact that speedy action had to be taken would be taken into account in assessing whether the regulating organisation had been negligent. What my hon. Friend said about the record of the stock exchange is also true. However, he underestimates the inhibition under which an organisation of this kind may labour if at every turn, and whenever it has to make a difficult decision of this kind, it has to contemplate the possibility of action. That is at the heart of this matter. The stress and demands on the financial resources of the self-regulating organisations that are likely to arise through litigation, even if, ultimately, the regulating organisation were to be successful in that litigation, also have to be taken into account.

Mr. Campbell-Savours: Perhaps the Minister could clarify his response to the hon. Member for Wolverhampton, South-West (Mr. Budgen), who asked about the stock exchange. I understand that the stock exchange produced a report on the Westland affair and the trading of shares. I also understand that it was not able to publish that document for fear of litigation and a series of actions. That document has still not been published. Is that not an example of how the fear of litigation is enough to quell the keenness of an organisation to pursue what is right and proper?

Mr. Howard: I hope that the hon. Member for Workington and the House will forgive me if I do not yield to the temptation to comment on specific cases. As a general principle, there is little doubt that the principle which I have put before the House and which, I think, is endorsed by the hon. Member for Workington undoubtedly applies.

Mr. Bermingham: Does the Minister not agree that the mere threat of litigation acts as a form of discipline? If one is answerable for one's decisions, one tends to take them carefully.

Mr. Howard: The hon. Gentleman leaves out of account the nature of the decision that a regulating organisation has to take. The important thing is that it should not be inhibited from taking action. It is not simply a question of making sure that the action that it takes is correct, but the fact that the action needs to be taken very often on information that is less than 100 per cent. accurate. No doubt a regulating organisation would like it to be 100 per cent. accurate. It may be less than wholly convincing, perhaps flawed, but nevertheless it may justify the self-regulating organisation in taking immediate action. The prospect of litigation brought by big battalions with large pockets may well inhibit the taking of that kind of effective action in the circumstances that we are postulating.

Mr. Ashdown: Why did the Minister not respond earlier with that sort of argument? The case was put to him in precisely the same terms in Committee and it took the arm twisting—no other phrase is appropriate—of a sitting in order to make him move position. In Committee he did not listen to precisely the same argument to which he is now responding.

Mr. Howard: The hon. Member for Workington's reading of the situation is much more perceptive and accurate than the construction that the hon. Member for Yeovil (Mr. Ashdown) seeks to place on it. Of course one listens, but one is not necessarily convinced immediately.

One reflects upon the argument, and in some circumstances one reaches a more mature and wiser conclusion.

Mr. Butterfill: Does my hon. and learned Friend agree that perhaps ISRO is a far better example than the stock exchange? Decisions can be taken involving hundreds of millions of pounds or dollars. In cases like that, if ISRO were liable, it could not possibly function.

Mr. Howard: My hon. Friend is absolutely right.

I shall now pass on to the second factor of which I have taken account in arriving at my view on this matter. I make no apology for drawing it to the attention of the House, because it is a factor to which any responsible person making judgments on these issues would have to give a great deal of weight. As it became clear on considering this matter, there is a real danger that individuals might be reluctant to work for, or serve on, the governing bodies of RSROs if there were a risk of a personal liability in damages for actions undertaken in good faith. It is essential — I hope that this at least will be common ground — if self-regulation is to work properly that RSROs should employ and be run by people of the highest calibre. Anything that would deter such people from joining RSROs could seriously affect the effectiveness of the organisations in regulating investment business. This would clearly be an undesirable development which we should avoid if at all possible.

8.30 pm

Mr. William Cash (Stafford): The Committee went in great detail into the questions of who are fit and proper persons and who should run these organisations. My hon. and learned Friend gave me an extremely learned letter from his Department about who was a fit and proper person. However, a further question arises here. Does the act or omission by anybody within such an organisation have to be shown to have been in bad faith? That leads us to the alternative question that arises in connection with acts or omissions that amount to negligence. If my hon. Friend cannot answer now, perhaps he will let me have a note about whether this matter could be dealt with by insurance arrangements, whether inquiries have been made as to what the potential liability would be, and whether it would not have been possible for the self-regulatory organisations to arrange insurance in those circumstances.

Mr. Howard: I am happy to promise my hon. Friend that I shall let him have a note on those matters, although I cannot promise that it will be as long and as learned as that which he received on the definition of "fit and proper". I can give him some preliminary signs. There is no doubt that inquiries were made about the availability of insurance, and it is no secret that the availability of insurance in this sector is becoming increasingly difficult and expensive. I put the matter in modest terms as a preliminary response, and I shall endeavour to add to it when I write to my hon. Friend.

Mr. Budgen: Might there not have been a case for giving some form of temporary immunity, or partial immunity, so that when the Act, if the Bill is passed, and the insurance matter have settled down it might be possible to see that the regulators are insured? If it is not possible for them to be insured, it might not be possible to have a system of private regulation of this market.

Mr. Howard: My hon. Friend makes a tempting point, but the absence of insurance was not the only factor that weighed with me. As I have sought to explain, there were a number of factors, and, even if insurance were available, it would not have met all the factors that I have identified.

For those reasons, I came to the conclusion that it would be right to grant RSROs an immunity similar to that which was in any event provided for the designated agency and the competent authority. This new clause brings all the immunity provisions in the Bill together, and clause 118(9) and schedule 7, paragraph 3, are therefore to be deleted. In each case the immunity is granted to the body itself and to its officers and servants for any acts or omissions in discharge or purported discharge of certain functions — effectively, the functions which they perform in maintaining the regulatory structure for which the Bill provides. The immunity is restricted to an immunity from liability for damages, and it does not apply when an act or omission can be shown to be in bad faith.

The proposed immunity will still leave interested parties with the possibility of redress. Investors who have suffered loss as a result of a business breaching an RSRO's rules will still be able to sue the business for damages, and compensation schemes will be available. Members of an organisation will be able to use the organisation's appeals procedures against unfair decisions. It will still be possible to seek a declaration setting out the rights and wrongs of the situation or an injunction to stop or prevent an unlawful act or requiring an RSRO to act lawfully. Damages can still be sought where an act or omission is the result of bad faith.

In the light of the immunity conferred under the new clause, the second half of clause 14(7) is no longer appropriate, and it is deleted by amendment No. 42. Amendment No. 44 similarly deletes the second half of clause 20(5). A failure to provide information required by clause 14 or 20 will still provide grounds for revocation of a recognition order or in the case of an RSRO the exercise of the Secretary of State's or designated agency's intermediate sanctions. Amendment No. 161 has the effect that the same consequences would follow from a failure to provide information required under clause 91.

I believe that the balance that we have struck should remove lingering fears on the part of potential RSROs while leaving adequate remedies in place for aggrieved parties. I commend the proposals to the House.

My hon. Friend the Member for Beaconsfield (Mr. Smith) and the right hon. Member for Glasgow, Govan (Mr. Millan) have proposed that recognised professional bodies should have a similar immunity, but that suggestion overlooks, it seems to me, the differences that there will be between RPBs and RSROs. The RPBs will be regulating a much narrower range of business on a much smaller scale than will RSROs. The prospect of a number of large claims against an RPB is therefore much smaller than in the case of an RSRO. In these circumstances, I do not believe that it would be appropriate to extend immunity to RPBs. Further, it would certainly be anomalous for RPBs to have immunity when they are incidental aspects of their members' business when they do not have it, and do not appear to have needed it, in relation to the regulation of their members' mainstream professional practice.

The hon. Member for Dagenham suggested that an RSRO should still be liable for damages to investors, but this could still leave it at risk from a number of large claims. A regulator will face a number of difficult choices

[Mr. Howard]

in deciding when to act. One of the most difficult issues is deciding when to remove a business's authorisation, particularly on solvency grounds. The situation is rarely clear-cut. There are always arguments that, given another week or so, more capital can be found or a valuable asset sold and the problem will be resolved. The interests of existing clients and others already dealing with a business will often suffer if authorisation is removed, but such action may nevertheless be necessary to prevent harm to future clients.

Existing clients and those dealing with a business would, of course, suffer more seriously if the business collapsed, but they may claim that the supervisor's action was unnecessary and that the business would not have collapsed if given more time. They might then bring an action for damages against the supervisor on the ground that their loss was the direct result of the supervisor's intervention. The parties bringing such an action might themselves be large financial businesses — the big battalions of the international financial world. For example, a United States securities firm might use a British RSRO member to manage its clients United Kingdom portfolio. If the RSRO expelled the British business, or stopped it undertaking particular activities, because of concern about its solvency, the US firm might sue the RSRO for the loss that it suffered as a result — for example, of missed opportunities or damage to reputation. This threat could be a very serious one, and could put the RSRO's future at risk.

Supervisors should not have such a threat hanging over them when taking difficult decisions. If they have, the quality and effectiveness of regulation and the interests of investors will suffer. As I have explained, investors will still be able to claim against a business which had broken the rules or, if appropriate, the compensation fund, and I do not believe that the proposed immunity will seriously affect their interests.

Mr. Bermingham: Can the hon. and learned Gentleman explain the difference between a supervisor or a regulator in those circumstances and a liquidator acting either under a debenture or some other power? The liquidator or receiver is equally liable for his actions, his misfeasances and the mistakes that he makes. Why is the regulator in a different position?

Mr. Howard: There are two answers to that question. First, I do not believe that liquidators operate in the same kind of world that we are contemplating in the context of this legislation. I do not believe that they run the risk in the same way of actions being brought or threatened by the largest financial battalions in the world which might well be able to use the very power of mounting effective and expensive litigation to bring pressure to bear on the regulators.

Secondly, and on a purely practical basis, so far as I am aware no one has refused to act as a liquidator because immunity of this kind is not available. But, as I said earlier, I make no apology for the fact that if we are to get an effective regulatory system in operation, it is essential that we get people of the right calibre to accept the responsibilities of serving on these organisations. That is not a difficulty that is encountered in the context of liquidators, but it most certainly is a difficulty encountered in this context.

Mr. Ashdown: The Minister's comments have been very revealing. The reason for this remarkale Pauline conversion — no doubt the result of this time bomb that has been ticking away in his head as a result of the arguments advanced in Committee — is revealed as being brought about the refusal of the SROs to recruit people to be their officers and members unless such immunities have been granted. In other words, his arm has been twisted to change his mind.

Mr. Howard: The hon. Gentleman fails to understand the position. The fact that it was important to ensure that people of the right calibre were prepared to serve on the SROs was a matter that I took into account. I suggest that anyone who failed to take that into account would have been utterly irresponsible.

I have also reflected on the other arguments that were put in Committee, which I have summarised this evening. It is on a totality of those considerations that I suggest that the view that I presently take is to be preferred to the view that I expressed in Committee.

Mr. Gould: Listening to the debate, I had the sense of watching one of those courtly dances, where at a given moment in the tune the dancers suddenly exchange positions and take up those formerly occupied by their partners. The Minister's manoeuvre has been so bewildering that one is entitled to ask who is calling the tune. The hon. Member for Yeovil (Mr. Ashdown) is right to suggest that the Minister has changed his mind in such a bewildering way because he has been got at by extremely powerful interests in the City. They have done so in such a way, and so thoroughly, as to call into question something that had hitherto been common ground, at least within the Committee — the desirability of self-regulation.

The Minister fairly recalled that the whole question of immunity for SROs was raised through an amendment tabled by myself. We pointed out that for very good reasons immunity had been granted to the Securities and Investments Board or to the designated agency, and we felt that it was equally necessary in respect of the SROs. That view was supported across the Committee, although not by every hon. Member. Indeed, I seem to recall that the hon. Member for Bournemouth, West (Mr. Butterfill)— who has also done his little minuet — was very much opposed to any form of immunity, let alone the blanket immunity now proposed in the new clause. However, there was all-party support for some form of immunity, and that in turn was given powerful support by a campaign mounted by the SROs and the SIB.

The case advanced by myself and others who spoke in favour of immunity was to the effect that without it any SRO would be inhibited — indeed, frustrated — in the performance of its duties not by the constant threat of being liable for vast damages but by the real possibility of the issuing of writs and so on. We felt that the SRO would simply find itself incapable of proceeding against those whom it was its duty to regulate. It therefore seemed to us to be extremely important that, if we were to place reliance on the SROs, they should not be frustrated from the outset by being put at risk as a result of actions by those whom they were meant to be regulating.

8.45 pm

The Minister's reaction was to say:

"In principle, regulators should be liable for damages."

We advanced the argument that that was indeed a good principle, but that there was a countervailing principle which meant that in the interests of effective regulation the SROs needed a limited immunity. The Minister later returned to the argument when he said:

"It is common ground between us that self-regulating organisations should not have immunity from suit on the part of investors." [*Official Report, Standing Committee E*, 11 February 1986; c. 174, 182.]

That was something with which I readily agreed, but the whole burden and thrust of my argument was that it was immunity at the suit of those who were supposed to be regulated that was important and desirable.

Yet, after these firm statements of principle and agreement with me about the importance of absence of immunity in the case of actions brought by investors, the Minister is suddenly converted not only to the idea of immunity against those who are to be regulated: he also abandons the common ground that he had sought with me and staked out. He now says that there should be not only immunity of the sort covered by the amendment but a blanket immunity that will extend to actions from any quarter, including actions brought by small investors who may well feel aggrieved at some glaring dereliction of duty on the part of an SRO.

It may be that the Minister was so appalled by the admission that he made to the Committee, elicited from him by a question by my hon. Friend the Member for Workington (Mr. Campbell-Savours), that he was prepared to contemplate SROs going bankrupt—that he has now swung around entirely in order to expunge from his memory the fact that he ever made such an astonishing confession.

But, for whatever reason, I believe that the Minister has now trod a path that we know is fraught with difficulties and danger. In Committee, I drew attention to the provisions of the Lloyd's Act, and reminded the Committee that when Lloyd's piloted its own private Bill through the House it had strongly argued for immunity on the ground that I was prepared to argue for—that it needed that immunity in order to be an effective regulator. In other words, it needed to be able to be tough with those in respect of whom it was entrusted with the duty of regulating, without being threatened with action.

I pointed out that Lloyd's was tempted—I suspect more than tempted and, indeed, set about—to use that immunity in the case of the PCW scandal not in order to be a more effective regulator but to protect itself against its own failures as a regulator. It would use that immunity to prevent any action brought by aggrieved investors in the PCW syndicates who believed that Lloyd's had fallen down in its duty.

The clear view of many people is that Lloyd's did fall down in its duty, and, while one does not necessarily have unlimited sympathy for Lloyd's members, it is entirely right that where they lose money through the clear failures of the supervisory authority they ought to be able to turn to that authority for recompense if—here I associate myself with the telling point made by the hon. Member for Wolverhampton, South-West (Mr. Budgen)—they can make their case in the court. That is not as easy as it seems. It is difficult to think of individuals who have been able successfully to sue bodies of that nature for regulatory failures. That must tell us something about the balance of power and of probability in such circumstances.

Mr. Butterfill: Mention has been made of the PCW names at Lloyd's and it is suggested that it is proven that the case resulted because of a failure by the regulator. I believe that it is far from proven. The information that I have heard suggests that it was not due to a failure by the regulator but because the syndicates of which they were a part took extremely ill-advised underwriting business. It was high-risk business, no doubt for high rewards. It seems that an attempt is being made to evade responsibilities in the underwriting of that business.

Mr. Gould: We could have a long debate about the rights and wrongs of the PCW affair. I believe that investors lost money through fraud and theft and then through ill-advised business, undertaken to maximise premium income to cover the tracks of those criminals. All of that took place under a supervisory regime for which Lloyd's was responsible. But that is not the point. The point is whether we should enact, as we did in the case of Lloyd's, a provision which prevents PCW investors from resolving in the courts the debate which the hon. Gentleman and I have just had. Should we say that the PCW investors should be precluded from having their day in court to establish their case?

Mr. Budgen: Can the hon. Gentleman confirm to those outside that if a plaintiff fails against a regulatory authority the cost of bringing the proceedings is likely to be large and, having failed, he will have to bear not only his own but the defendant's costs?

Mr. Gould: The point is well taken. There is another explanation, one assumes, for the relative rarity of such actions.

One could elaborate the case at length, but I do not propose to do that. I want to raise the general principle at the heart of the issue. If self-regulating organisations are to be made immune from suit, from whatever quarter, the nature of the self-regulation with which we have imagined that we are dealing is misunderstood. We have imagined that the self-regulating organisations are an instrument for exercising statutory powers and that they exist because they have particular expertise and the ability to monitor activities day by day.

That type of self-regulation is suddenly revealed by such a measure not to exist. Under the provision we are confronted with self-regulation on the bad old model where self-regulation is undertaken by groups or professional cliques whose real purpose is to defend the interests of their own members against the outside public. Such a provision will make it impossible to break down the wall built around those organisations, which will be impregnable by the outside investor.

If we were to enact the provision, the self-regulation which we have hitherto been prepared to support would become a much different proposition. We could not easily tolerate a City regulated by bodies against which there was no possibility of sanction by those who would lose as a consequence of their failures.

In drawing the line between actions brought by members, or the regulators, and actions brought by investors and members of the public, I am not excluding the possibility that very large investors with very deep pockets might sue self-regulating organisations. That was a possibility which a few months ago the Minister was prepared to contemplate.

[Mr. Gould]

The difficulty is that the Minister must now make a choice. Does he provide effective investor protection for the small investor, or is he so mesmerised by the possibility of large investors threatening self-regulating organisations that he is prepared to throw investor protection out of the window? That is the consequence of the new clause.

The investor who wishes to sue the self-regulating organisation will limit his argument in such a way as not to threaten the continued viability of that self-regulating organisation. That is not achieved by any of the proposed amendments. The Minister should be able to come up with a solution which would provide a balance between protecting the self-regulating organisations and protecting the interests of the investor. If he cannot do that, the notion of using self-regulating organisations to carry out the purpose must be re-examined.

If the Minister believes that self-regulating organisations need to be protected against actions for damages by anybody, one must conclude that self-regulating organisations are not the appropriate instrument for carrying out that function. That is the essential question which must be answered. That is why we believe that the Minister's conversion, while welcome to the extent that we had urged it upon him, has gone too far. The Minister has not adequately explained why he has so demonstrably changed his position.

Mr. Bermingham: Does my hon. Friend agree that, if the Minister has been converted — I use the word advisedly because I suspect that he does not know where the road from Jerusalem to Damascus really is—could it be because of his fear of the multinational financial institutions? If that is so, perhaps the regulation should be by Government bodies rather than private bodies.

Mr. Gould: My hon. Friend is right. That is the conclusion that I arrived at. If the contest between the self-regulating organisations and the large City investors, who in most cases will be members, is so unequal, it is hard to see how the self-regulating organisations can bear the weight of the burden.

Mr. Budgen: I am not sure that the hon. Member for Dagenham (Mr. Gould) has persuaded me that it would be right to grant immunity to the regulated. It is difficult to draw a line between the regulated—particularly the big regulated—and those who are also investors. That is particularly difficult since we now have a multiplicity of capacities in the City. It is difficult to see, when an organisation might be a clearing bank, a stockbroker and a stock jobber, how one can precisely describe it as a big investor or a person regulated by the authority.

We are not really talking about that tonight. We are talking about whether the Government are wise to grant blanket immunity to all persons who have to deal with the self-regulatory authority. I am grateful to my hon. and learned Friend for the courteous way in which he gave way to me as he expounded his only two reasons for saying that his previous view had changed.

I agree with my hon. and learned Friend that the presumption should be against immunity. I shall not repeat the two questions that I put to him, although I did not receive a satisfactory answer. I therefore conclude that the Government have been very unwise in general and political terms in granting this blanket immunity to a self-regulatory authority. They allowed Lloyd's blanket immunity through the Lloyd's Act. Plenty of hon. Members say in the Lobbies that they wished that the Government had not granted that blanket immunity because it has not been used as a means of making Lloyd's a straighter or more efficient organisation. It is seen by many to be more of a shield than a sword.

9 pm

It must be remembered that a special privilege was granted to the stock exchange in 1983. I was opposed to the Parkinson-Goodison deal because I thought it wrong to take pending litigation out of the ambit of the courts. The restrictive practices of the stock exchange should have been considered by the Restrictive Practices Court. Plenty of people share that view. Perhaps I am wrong, but it appears politically unwise to grant to the stock exchange another great privilege—*[Interruption.]*. I have failed to satisfy my right hon. and hon. Friends that it is unwise to grant one's friends these great privileges.

I wish to direct a few words towards the stock exchange. In our society there are two main ways to ventilate a grievance. If one has a disagreement with a state-run concern, there is a political method to ventilate that grievance. For the sake of argument, I might say that I do not like the way in which the Bank of England is controlled by the Government, I will never support Mr. Nigel Lawson or vote Tory again, and that Mr. Lawson should resign. That is perfectly reasonable and everyone understands the way in which political grievance can be ventilated. Equally, everyone understands that a private individual has a right to ventilate his grievance through the courts. However, a self-regulatory body that is not state-controlled and cannot be sued in the courts is, in the last resort, irresponsible.

Mr. Butterfill: Is my hon. Friend aware that on 3 June the stock exchange announced its intention to appoint an ombudsman to represent the interests of investors as against the stock exchange council?

Mr. Budgen: Ombudsmen make grave recommendations, but they are not in any way binding. An ombudsman is not a satisfactory alternative to the right to sue through the courts.

Sir Nicholas Goodison, who is no doubt congratulating himself on his great triumph, has in fact acquired for himself and his organisation a most short-sighted triumph. There will be many changes in the securities industry in the next few years. Many wise people who know a great deal about the industry—I am not wise, nor do I know a great deal about the industry—say that over-capacity is building up, and they may be right.

I do not know about the way in which prices of stocks and shares go up and down, but there are those who say that eventually there will be a bear market. There are also those who say that the system of Chinese walls will not always work. A combination of over-capacity and a bear market, with opportunities for malpractice, means that a few corners may be cut in future. When Granny Smith finds that she has no opportunity either to take the political course or to sue to ventilate her grievance—it may well be that there is not a Conservative Government at that time—she may say that there is a need for further legislation. She will say, "That wicked old Tory Government in 1986 passed legislation which was plainly to the advantage of their friends and was not fair to me."

The danger is that the splendid settlement will be unpicked. When it is unpicked, not only that part of it but the remainder will be unpicked. That will be to the disadvantage of the stock exchange. Certain people may drink their second magnum tonight and congratulate themselves on such a great triumph, but I hope that it does not look too bad for them in five, six or 10 years, when Granny Smith goes to a Member's surgery and complains that she has no means of ventilating her grievance.

Mr. Bruce Millan (Glasgow, Govan): I agree with the hon. Member for Wolverhampton, South-West (Mr. Budgen) that if we are to give special legal privileges of immunity to anybody, there must be good grounds of public policy for doing so. It cannot be given simply as a protection for the body concerned. As I understood the argument in Committee—I was not a member of the Committee—there were good grounds of public policy for giving at least a degree of immunity to self-regulating organisations, because otherwise they might be inhibited, as the Minister said earlier, from carrying out the functions of investor protection placed on them by the legislation. The argument provides a strong case for legal immunity. I believe that the extent of the immunity is a separate matter, as my hon. Friend the Member for Dagenham (Mr. Gould) has argued. My amendment (c) applies the same arguments to recognised professional bodies as have been applied in the Minister's new clause regarding self-regulating organisations.

As a chartered accountant and a member of the Institute of Chartered Accountants of Scotland to which I am parliamentary adviser, I have an interest in the matter. Listening to the Minister's arguments for his new clause, I found it difficult to accept the arguments that he put up a little later about why recognised professional bodies should not have the same degree of immunity—whatever it is that Parliament eventually decides the degree of immunity should be. After all, under the Bill, those bodies are to be subject to a regime that is intended to give protection to investors equivalent to that which they would obtain through anything done by an authorised person in a self-regulating organisation. The rules and monitoring arrangements to provide that are to be as stringent, detailed and as subject to supervision as those that apply in respect of self-regulating organisations. Therefore, recognised professional bodies will be placed in almost exactly the same position as self-regulating organisations. It is difficult, on the face of it, to understand why immunity is to be granted to one kind of organisation but similar immunity is not to be granted to another kind of organisation—a recognised professional body.

The Minister used two arguments against that proposition. He said that in the case of professional recognised bodies—I take the chartered accountants' institutes as an example—regulation would be only a small part of their activities, and it could be anomalous if immunity were granted for a small part of their activities when the main part of their activities was not similarly protected by immunity.

The recognised professional bodies are having particular and new obligations placed on them by the legislation, assuming that they will apply for recognition. It is a matter of choice. They may not apply for recognition if they do not feel that they can take on the obligation. If they apply for recognition, they will take on an entirely different range of responsibilities. For example, the institutes of chartered accountants do not actively monitor their members' activities or have a legal obligation to do so. Of course, they are responsible for discipline, and so on. Under this legislation, they will take on the additional responsibility of monitoring their members' activities with respect to investment.

Although this aspect may be only a small part of the activities of these professional bodies, it is a new and special responsibility. It is a legal obligation, not a voluntary role. By applying for recognition, a body automatically takes on those responsibilities. The argument that these bodies are not given immunity for the major part of their activities and that, therefore, it would be anomalous to give them immunity for the minor part of their activities does not bear examination.

It has been argued also that a member of a recognised professional body who has been authorised will be recognised only because certain activities are incidental to his main activity as an ordinary professional person. That is true. The Bill does not lay down a definition of what is incidental. There have been considerable discussions on this point, and I am not arguing that there should be a specific definition in the Bill. A practitioner may be involved in activities that are incidental to his main activities, but that does not necessarily mean that those incidental activities do not involve considerable sums. He may be vulnerable to legal action even though his activities are incidental. Of course, if the activities were not incidental, they would have to be regulated in a way other than through the recognised professional body. That is not a good argument for distinguishing between a self-regulating organisation and a recognised professional body.

Mr. Bermingham: I put this point to the Under-Secretary of State but he did not seem to understand it. Does my right hon. Friend, with his vast professional experience, accept that often the chartered accountant who is the liquidator or receiver in a company liquidation can be involved in what may appear, on the face of it, to be a small transaction but be liable for vast sums?

Mr. Millan: My hon. Friend has made that point in a rather different context. Because a person is involved in an activity that is only a small part of his general professional responsibility it does not mean that he is not vulnerable to being liable for large sums. That point has been made. I think that the Under-Secretary of State understands that the professional bodies are agitated about this matter, and I ask him to consider it again.

I do not want to go at great length into how far immunity should extend. There is a distinction between immunity from action by a recognised professional body's members or someone authorised by it and immunity from action by a member of the public—for example, an aggrieved investor. From the point of view of the recognised professional bodies or the self-regulating organisations, liability for large sums in damages may arise from the suit of an aggrieved investor rather than an aggrieved authorised member or a member who has been refused authorisation. Vulnerability to liability for large sums of damages may well be caused by bodies outside rather than within an SRO. Amendment (b) restricts immunity to a person,

"whether authorised or not, whom the organisation is authorised by this Act to investigate or supervise".

[Mr. Millan]

In some circumstances, that may be a fairly limited immunity. An aggrieved investor may get beyond the authorised person, with whom his grievance basically rests, to the authorising body which is responsible for monitoring the activities of that person. There is a real dilemma but I do not necessarily want to take a firm view on that matter. All that I am saying is that, whatever the ultimate form or shape of the Bill or the new clause, I think that there are strong grounds, in terms of public policy, for treating self-regulating organisations and recognised professional bodies in exactly the same way.

9.15 pm

Mr. Butterfill: My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) referred to Granny Smith and her predicament and her inability to sue. My constituency probably contains more hypothetical Granny Smiths than most others. The difficulty that the Granny Smiths in my constituency encounter is that the law does not seem to do for them what my hon. Friend the Member for Wolverhampton, South-West thinks that it might. They come to my advice centre and say that there is one law for the rich because they can afford it, there is another law for the poor because they can get legal aid, but there is no law for the small people in between who cannot get legal aid because they have a little bit of money. They are precisely the people who will be the investors in the stock exchange and who will not be able to afford the litigation.

I am touched by the faith my hon. Friend the Member for Wolverhampton, South-West has for the legal process and the courts. It is not a faith that I have heard him express quite so vividly on previous occasions. Nevertheless, it is a touching thought. However, I do not think that it is something which Granny Smith will want to rely on. I think that she would much rather rely upon an ombudsman appointed by the stock exchange especially if, unlike the ombudsman we seem to have created in this place, he actually has some teeth and may get redress for the complainant investor.

The hon. Member for Dagenham (Mr. Gould) referred to the views I expressed in Committee. I am sure that if he refers to column 176—I have just refreshed my memory on that, he will see that — my view arose from the experience that I and other Members of the Committee had as members of professional bodies. I suggested that since those of us who were members of professional bodies had not seen the need for them to have this type of immunity I did not really see, extrapolating from that, why the immunity should be extended to the stock exchange or any of the other self-regulating organisations we are setting up under the Bill.

I must tell the hon. Member for Dagenham that I have taken further advice on this matter. However, I have not undergone a conversion in a blinding flash along the road to Damascus. I have trodden the road to Damascus but it was not there that the inspiration came to me. I have considered the representations, as my hon. and learned Friend the Parliamentary Under-Secretary will have done, that have been made to me by those concerned in these matters and those who have much more experience than I have. In an earlier intervention I referred to the position of ISRO, which is dealing with an international money market of billions of dollars. It would be completely impossible for regulators of that type to operate if, in giving a ruling, they were likely to be liable to be sued for damages for billions of dollars. A bankrupt regulator will not be any good to any of us and, therefore, it is essential that we provide the immunity that is suggested in the new clause.

Mr. Ashdown: I thought that the hon. Member for Dagenham (Mr. Gould) put it rather well when he said that the House was engaged in a rather interesting minuet. We are required to do so in considering the new clause. The hon. Gentleman and I and other Opposition Members called for immunity for SROs and the Minister's change of heart is welcome, but that welcome must be tempered by the fact that he has gone further than the consensus that we reached, such as it was, in Committee, and has done so for some fairly curious reasons. As the hon. Member for Dagenham said, and as the hon. Member and for Wolverhampton, South-West (Mr. Budgen) said in an interesting, amusing and telling speech, that makes this issue one of considerable principle.

It is right that we should remind ourselves of the terms in which the Minister, with a good deal of enthusiasm and no small despatch, advanced arguments that went against the position that he has now adopted. He told us in Committee, in the face of the arguments that he has presented this evening, that he was against the immunity that is now proposed. He told us that it would be wrong to allow a City institution to operate above the normal workings of the law. He did not use precisely those words but that was the purport of his contention. He declared elegantly and with some force that the immunity for which we asked would go against the trend of English law over the past 50 years. He explained that there had been a move in the opposite direction and added that doctors, lawyers and tour operators had all been made liable for damages for incorrect decisions. We are entitled to investigate why it is that the Minister has committed such an extraordinary volte face. It would seem that the hon. and learned Gentleman is stretching our credibility a little too far by asking us seriously to believe that the arguments which were so powerfully advanced in Committee caused him to change his mind.

If the Minister's change of mind was caused by the arguments that were presented in Committee and, to a certain extent, by some "practical facts", as the *Financial Times* put it, presented to him outside the House, I might be better disposed towards him, but I suggest that there is no evidence that that is what happened. The Minister is fast enough on his feet and has a brain that works quickly enough to accommodate and show some serious consideration of the arguments advanced in Committee, but instead he dismissed them with considerable despatch.

Mr. Ron Davies (Caerphilly): And with contempt.

Mr. Ashdown: I would not go that far. It was a good-natured Committee and I did not see too much contempt displayed. I merely say that the Minister dismissed with enthusiasm the arguments in favour of immunity.

What has happened? We know that a letter was sent to the Minister on 16 April 1986 from the six nascent SROs —AFBD, IMRO, ISRO, LAUTRO, NASDIM and the stock exchange—which contained a thinly veiled threat. They wrote:

"Failing to grant immunity from these liabilities in the Bill will discourage the formation"—

a euphemistic approach—

"of SROs in the first instance, as well as compromise their operation if they do decide to seek recognition."

That was an approach that was articulated more clearly in an article that appeared in the *Financial Times*. The commentary in the *Financial Times* that appeared shortly afterwards was rather more blunt but it was accurate enough. The article stated:

"The six nascent SROs issued a joint statement saying that unless they were granted the same immunity from negligent actions as their immediate overseer, the Securities and Investments Board, they would not invite members to join or to serve as directors and officers."

There it is. There is the armlock or the half-Nelson. That is why the Minister has changed his mind. In future, as the hon. Member for Wolverhampton, South-West said, when Granny Smith wants to know why it is that she has no recourse and no possibility, neither political nor through the courts, of getting back at wrong decisions, it will be said with some force that the Government changed their mind because some of their friends and some of their paymasters in the City required them so to do. I say that as someone who has not advanced that argument with the strength with which others have deployed it previously. That, however, will be the judgment that history and hindsight will place on the Minister's decision.

Mr. Campbell-Savours: I find the comments of the hon. Member for Yeovil (Mr. Ashdown) quite remarkable. It is not my place to defend the Minister, but I have a letter from Allen and Overy, solicitors. The organisations took legal advice, and all the matters contained in the letter from the stock exchange are taken directly from the correspondence. If the hon. Member for Yeovil had simply telephoned the solicitors, he would have found the case clearly set out in favour of immunity. The solicitors were commenting only on the relevance of a legal judgment as it affected their position. They were perfectly entitled to obtain the legal judgment and put it to the Minister.

Mr. Ashdown: It is strange for the hon. Gentleman to place such remarkable weight on the view of lawyers as being the final word in this matter. I am aware that the Committee was overburdened with lawyers and that was difficult for us to cope with. However, we must make a judgment on this. It is possible for anyone to seek an opinion from a lawyer which will meet the desired requirement. I am not against the concept of immunity and I argued for it within certain limited constraints that I will refer shortly, and relate strongly, to the amendment tabled by the hon. Member for Dagenham (Mr. Gould).

It is perfectly clear that the half-Nelson which the Minister was put in by his friends in the stock exchange and elsewhere caused this remarkable change of mind. It is even more remarkable, because elsewhere in the Bill and throughout the Committee the Minister time and time again placed what many of us regarded as a touching faith in the operation of the courts when it came to decide on such matters as, for example, the meaning of the word "significant" when assessing the proportion of a firms general business which involves investment. The Minister is granting an immunity not just to the members and those who are regulators on the matter——

Mr. Budgen: Will the hon. Gentleman give way?

Mr. Ashdown: I will give way to the hon. Gentleman in a moment if he will just be patient. The Minister is granting an immunity not just to the members and those who are regulators, but is going further than what was agreed in Committee on this matter.

Mr. Budgen: Does the hon. Gentleman agree that the way that the stock exchange suggests that it is accepting self-regulation, as it were to do the Government a favour, is rather odd? The exchange wants self-regulation because it believes that the more skilled and informal way of regulating the market will be a selling point to foreign investors. However, having desperately wanted this self-regulation, sadly it is not prepared to accept its consequences.

Mr. Ashdown: The hon. Gentleman has made a powerful point. I am in favour of a degree of immunity for reasons advanced in Committee. There are important reasons why there should be freedom of operation in respect of regulated numbers. However, by extending that even to immunity from damage claims by investors, he is seen to have moved much further than he agreed might be appropriate in Committee and in a direction which fundamentally extends the powers of self-regulation to levels that most hon. Members would disagree with.

There is anxiety about self-regulation as a basic principle, although I agree with that principle. That principle is worrying enough but to give the self-regulators total immunity from anyone in relation to damages levied against them, not only to those who are members of the regulators and to investors, goes far beyond what is acceptable.

Mr. Butterfill: Does the hon. Gentleman accept that when the big bang occurs the investors and members may be the same people? Is that not the problem?

Mr. Ashdown: If the investors and the members are the same people, granting immunity to the members should be sufficient. I would happily go along with such a proposal.

The Minister has moved for the wrong reasons. He has moved not because of democracy and argument in Committee but because he has been put in a half-Nelson. The second reason for the Minister's shift is even more worrying. The City has caused a fundamental change in his mind by simply saying that it will not operate a set of regulations which is enshrined in an Act of Parliament. That bodes very ill for the future of self-regulation as one of the determining factors of the success of self-regulation is the City's attitude. That is a matter of not inconsiderable weight.

9.30 pm

As for what the Minister should have done, I cannot add significantly to what the hon. Member for Dagenham said. To offer immunity to those who are regulated is appropriate, but to offer it to those who are investors as well is dangerous. If the Minister is saying that the power of investors in terms of the money that they can generate is so great as to cause him considerable worry in this matter, it might be right for him to recognise that there should be a state organisation. That is not my view, but if the Minister believes that the power of investors will be so great as to undermine his Bill, giving a private body such immunity is going too far by a long way.

This is an issue of fundamental principle. I am in favour of immunity for the regulated, but we should not grant immunity from damages levied against the SROs in respect of those who invest. To do that would be significantly to

[Mr. Ashdown]

undermine the Bill and to extend the power and influence of SROs to an unacceptable extent. We would also diminish the safeguards for investors.

Mr. Tim Smith: This has been a bizarre little debate. It has something in common with "Through the Looking Glass". My hon. and learned Friend the Minister has changed his mind and, ever since announcing it, he has been attacked by the very people who wanted him to change his mind. I refer not to my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) but to those who made the mistake of speaking in the earlier debate on this subject.

Mr. Gould: The hon. Gentleman cannot be allowed to get away with that statement. We approve of the Minister changing his mind 100 per cent. — it is the 200 per cent. which makes things difficult for us.

Mr. Smith: It is partly that and partly the suggestion that he has not changed his mind on the merits of the argument but has somehow been got at. It has been suggested that the stock exchange got at him.

We should be clear who is calling the shots. No fewer than 49 out of the 50 leading members of the stock exchange are owned by members of ISRO. The stock exchange will soon be a subsidiary of ISRO, so if anybody is calling the shots it is ISRO and the international securities dealers. It is important to listen to what they have to say. Everybody who wanted a change agreed that there should be immunity for members.

It is easy to exaggerate the difficulties of view and their consequences, but we are considering whether there should be immunity for investors. The hon. Member for Yeovil (Mr. Ashdown) completely misunderstood the point made by my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) about investors and members being the same people. They will not be the same people on the same occasion. When we speak about large investors, we speak about the people who are members of ISRO and other bodies with substantial clout. My hon. and learned Friend might perhaps consider whether we can draw a distinction between the very large operators, who are probably quite capable of looking after themselves, and the Granny Smiths to whom my ho. Friend the Member for Wolverhampton, South-West referred. Such a distinction exists because the Government have tabled an amendment to schedule 6 which makes it.

When I saw the Government's proposal, I was a little surprised in view of what my hon. and learned Friend said previously. I see the force of his arguments, however, and that the professional investor does not need such protection. The origin of the Bill is concern for small investors. Perhaps we should see whether we cannot deal with the matter in that way.

My amendment (a) is very similar to amendment (c) tabled by the right hon. Member for Glasgow, Govan (Mr. Millan). I subscribe to all the arguments put forward by the right hon. Gentleman in favour of extending the clause to include recognised professional bodies.

Mr. Bermingham: I do not propose to detain the House for long. But it is incredible that the Minister, who comes from a learned profession, should seek to negate the actions of the courts in this matter. I do not know whether it was the blinding light on the road to Damascus again, pressure from the City again, or pressure again on other hon. Members from the little chaps across the coffee table, which has led to the claim that there is a difference between the stock exchange and other professional bodies. On occasion, the Law Society has been the subject of actions. The Glanville Davies case is a classic example. In that instance, the Law Society found that it was in the wrong. Other professional bodies, such as the accountancy profession, have been the subject of actions. But those actions are always undertaken by small people.

Apparently, however, we are to exempt the new SROs and the Securities and Investments Board from liability for their actions. From the Minister's argument — I hope that he will pay me the courtesy of listening to this point — it seems that these bodies will be gagged by the actions of large American and other institutional investors. Apparently they will issue a series of gagging writs, as a result of which no actions will be taken. If the House acknowledges that there are powerful enough bodies, in the City or elsewhere, to gag other bodies set up by the House simply by issuing writs, it is a very weak and namby-pamby place. After all, that has never been the position.

If someone said today that all professional bodies were to cease functioning simply because rich, powerful and influential bodies could issue writs to threaten them and subdue them into submission, I trust that the House would have the courage to act. On Second Reading I was very much against — as I always have been — the SIB or independent concept of self-regulation. In the light of the Minister's remarks, I am confirmed in my belief that we cannot trust the City to regulate itself. That is what worries me.

I was always in favour of the American solution, with the Securities and Exchange Commission or a Government body. I was in favour of a state body regulating the whole investment industry. I accept, as I believe the hon. Member for Beaconsfield (Mr. Smith) mentioned, that there are SROs in New York, but they are in turn subject to other controlling bodies.

I am prepared to concede limited immunity between those companies or businesses which are to be regulated and the regulator. I understand the argument that if bodies do not like how they are being regulated they, as a collective group, can change the rules on how they are run; but I strongly object to the negation of an individual's rights. That individual could be a bank or the Granny Smith referred to by the hon. Member for Wolverhampton, South-West (Mr. Budgen). Indeed, for once I entirely agree with his remarks. He hit the nail on the head.

I strongly object to the man in the street being told that he has no right of redress. In its own way that is a negation of democracy. One cannot have a body that is answerable to nobody. I concede immediately that such bodies would be by way of declaratory judgments, and so on, answerable, say, through the divisional court. But that does not provide the necessary remedy to the ordinary person.

Perhaps the Minister would like to travel again on the road from Jerusalem to Damascus. I am sure that the House will understand the time that it takes. Perhaps once again he could hope that the light would hit him and this time lead him to understand that he has no need to be

frightened of the large multinationals. Britain and our courts are big enough to protect us against the gagging and conspiratorial tactics which he so fears from them.

Mr. Campbell-Savours: They are not.

Mr. Bermingham: My hon. Friend says that the courts are not strong enough. He knows not what he says. Indeed, the courts are strong enough and they will not accept that sort of behaviour, because it is in itself a conspiracy to pervert.

I say to the Minister: think again. The House has the power to set up regulations in a way that meets the needs of all. To deny the individual the right of redress and to say that if we do not have this blanket immunity the City, which is being given the right to regulate itself, will not play really is the conduct of a spoiled brat. Let him have the courage to say to the City, "Look, we believe that the individual has rights. If you want self-regulation, have the courage to do it, but in a form which makes you answerable to the people you seek to regulate."

Mr. Nelson: Some immaculate points of principle have been put forward this evening by hon. Members. Indeed, some of them have almost waxed biblical in their defence of people's right to bring suits. However, we must decide whether we want the legislation to work, whether we want the legislation well thought out, given a Second Reading and enjoying a large measure of support on both sides of the House. If we do, we must ensure that the bodies which are charged with this responsibility have the incentive, the means and the ability to carry it through.

Those of us — I am one of them — who advance the case for extending immunity to SROs do not do so because in some idle way we think that it would be a useful immunity that would help the running of the City. We do not do so because we have paymasters or vested interests. We do so because, as we have clearly said, we are interested in investor protection. It is because we want to protect investors that we want SROs to do their job and it is because we want SROs to do their job that we want to ensure that they have the membership, the effectiveness and the immunity so to do.

I find it odd that in the debate so far there has been no mention of or objection to the immunity which the SIB enjoys. The SIB is given complete immunity from suit by SROs, by members of SROs and by the investing public.

Mr. Budgen: The SIB is far less of a self-regulatory authority and far more of a state organised authority.

Mr. Nelson: That goes to the heart of a debate that we shall no doubt have later on Report, on which the Standing Committee spent no little time.

The fact of the matter is, as is proposed, that the SIB or the designated agency will remain a private sector body. It is given, and I welcome it, substantial powers of regulation and power over SROs, but enjoys — a fact that nobody has complained about — total immunity.

Some hon. Members have complained — again, it is a compelling and almost immaculate argument — that not to be in favour of extending immunity to self-regulating organisations because they are private sector as opposed to governmental is either a case for not extending that immunity or a case for making the system statutory. That was the point made by the hon. Member for Yeovil (Mr. Ashdown).

However, making the system statutory, even if it were practically possible, making not only the SIB but every SRO, including the stock exchange, a statutory body, would not of itself mean that those SROs could not be challenged in court or in law. They would only not be challenged if, in the legislation giving them statutory identity, an immunity was extended to them as well. Exactly the same point exists whether or not the SROs and the SIB are statutory or private. Therefore, those arguments are wholly defective.

We must consider whether we want the legislation to work and whether the proper presumption against the extension of immunity to any body or organisation should be waived or limited to this extent because we think a greater good will be served. I share the view to some extent that regulators should be liable and responsible for their actions, and that there should be a presumption against an extension of immunity as a generality. I am fearful — I have expressed this to self-regulating organisations and in Committee — that SROs may sometimes act in a capricious or negligent way, possibly in the interests of the firms for which individual members of SROs work, rather than in the interests of the public or the market as a whole.

9.45 pm

I am well persuaded, as I believe my hon. and learned Friend the Minister was, that the practical reality is that SROs will be blockaded or rendered impotent by the threat of suits or damages of an order substantially greater than the hon. Member for St. Helens, South (Mr. Bermingham) imagines. *[Interruption.]* I am making a point and I am open to challenge.

The resources available to the legal departments of some investment banks, which will be both members of ISRO and investors on the international securities market, not only are prodigious but will be deployed, as the investment banks have said, because when acting on behalf of various substantial investment interests one may be culpable if one does not fling bricks in every direction and overstate the damages that can be claimed. If the hon. Gentleman honestly believes that that will not happen, he should consider what has happened in the United States, where the volume and size of writs has been enormous.

Mr. Bermingham: Does the hon. Gentleman not agree that to say that companies will use inflated writ procedure by in-house lawyers brings upon them the disgraceful allegation that they would do so and upon the judicial system the equally disgraceful allegation that it would tolerate such conduct in the English courts?

Mr. Nelson: Of course companies would, and the courts would have to tolerate it. It happens in the United States. The sums involved are enormous compared with the cost of taking a case to court, which may be substantial in absolute terms but which is nothing when one considers the turnover of some individual investment houses which is now over $1 trillion.

Mr. Budgen: My hon. Friend should also mention contingency fees, which make a difference between here and New York.

Mr. Nelson: I recognise that, and I concede the point to the extent that there are different practices and attitudes in this market. But let us not underestimate the extent to which these suits will be brought.

I was well persuaded by the chairmen of the SROs, members of SRO steering committees and individual member firms that they will not get lay or professional

[Mr. Nelson]

members on those SROs. Ian Steer of ISRO, to whom I have spoken, Charles McVeigh, a member of the standing committee, and Salomon Brothers International, all of whom are involved in establishing and running this organisation and are investors and self-regulators in the market, say that there is no way that they will put themselves forward and have the opportunity cost of highly paid executives' time to make themselves vulnerable to the sort of law suits which they believe will undoubtedly be brought, if this sort of immunity is not extended.

For those reasons, my hon. and learned Friend was absolutely right. Although, with the benefit of hindsight, the announcement could have been made more sensitively, the judgment is correct and deserves support.

Regarding professional bodies, it is important that we draw a differentiation between incidental business and mainstream business. The arguments would be different if recognised professional bodies were to preside over member firms whose investment activities extended well beyond the sort of incidental business for which they will be authorised. Where they engage in such business, it will have to be authorised, and where they are authorised, they will be a member of an SRO in the usual course of events. For all these reasons, my hon. and learned Friend deserves far greater support than many have so far given him.

Mr. Campbell-Savours: In Committee I took a great interest in the subject of immunity, and the Minister has been wise to pursue the course that he has adopted. However, he would do well to note the comments of my hon. Friend the Member for Dagenham (Mr. Gould). At the beginning of the debate I said that I had an open mind on this matter.

Mr. Ashdown: Oh, yes?

Mr. Campbell-Savours: I am being objective in the way that the Liberals tell the public they are always objective. It is a pity that they cannot apply their objectivity in the Chamber, where people such as I do so. I have been thoroughly objective. In Committee it was remarkable that at every stage of our 22 sittings we sought a balanced judgment. We have so many amendments because we went about our business in an objective way.

Mr. Ashdown: Will the hon. Gentleman give way?

Mr. Campbell-Savours: I want to watch a football match at 11 o'clock, and I intend to do so, so I shall proceed with the important business.

My hon. Friend the Member for Dagenham was right in his comments on the need for a special look at the position of investors and that one has to weigh up these matters carefully and have a balanced judgment about them. As I understand it, he was saying that if, through concern about the power of multinational corporations and large investors, we end up by applying a system that does not fully protect the small investors, we question the whole principle of the self-regulatory organisation. If we do that, we do great damage to the principle of self-regulation.

As far as I can see, the only way around this is to pursue the proposition put forward by the hon. Member for Beaconsfield (Mr. Smith), who also was most reasonable. He suggested that there would be a case to answer and asked whether we could find some way of drawing a distinction between the large and the small investors. Over the next few weeks the Minister might examine these matters and, before the Bill is dealt with in the other place, produce a solution. I do not know what it might be, but it could be some form of ceiling on immunity. We must find a way round this problem. It would be wrong to be so near to perfection, but yet slightly undermine a system that would work.

Mr. Cash: I am extremely disappointed with these provisions. In Committee I spoke about fit and proper persons and asked whether the Bill, which is leading up to the big bang, would lead either to a galaxy or a black hole. That has much to do with the manner in which the SROs operate. The new clause will go through. I am sure that if there is a Division it will go in the direction that the Government want, but that does not detract from my main point. The immunity that is to be extended to the SROs in these circumstances will lead to a serious situation, as the Granny Smiths of this world will learn to their cost in due course.

Having said that, there is a broader issue that must be addressed whether the self-regulatory organisations would be prepared to operate. It is clear on the balance of the argument that they are not prepared to operate unless this provision is put through. It is more important that the Bill should succeed. I have expressed the warning, and I stand by it. I hope that the Government will use the powers in new clause 6 to rectify the matter in due course if things go wrong.

Mr. Howard: I agree so much with the eloquent remarks of my hon. Friend the Member for Chichester (Mr. Nelson) that I can be brief in replying to the debate.

Perhaps the most remarkable feature of the debate has been the eagerness of Opposition Members, led by the hon. Member for Dagenham (Mr. Gould), who was joined somewhat eccentrically by the hon. Member for Yeovil (Mr. Ashdown), to take credit for the change of mind that I had in response to the arguments that they put forward in Committee. I have fully explained that change of mind.

Mr. Gould: I am delighted to take credit, not only for the conversion of the Minister, but for the conversion of every Conservative Member on the Standing Committee who voted on the issue when we pressed on the Minister the matter of immunity for self-regulating organisations. We marvel, not only at the scope of that conversion in terms of the numbers of Government Members, but at the area which the conversion covers. The Minister is so enthusiastic in support of the arguments that we advanced that he is now taking the matter beyond the bounds of what is reasonable.

Mr. Howard: The hon. Member for Dagenham should not be surprised at the fact that when the Government undertake to rethink matters we do so in a thorough way. Having done that, we follow our thoughts through to their logical conclusion.

My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) had the courtesy to tell me today that he was not in favour of the proposals contained in the new clause. I knew that he would put forward the views that I expressed in Committee with a great deal more pungency than I could ever hope to aspire to. I have admired the intellectual honesty of my hon. Friend for over a quarter of a century, and I hope that he will

continue to reflect upon these matters in the same way as I have reflected upon them, and that in due course he will see the force of the arguments that I have presented to the House. I am sure that when that moment arrives he will put forward those views with the same pungency as he expressed his views in this debate.

Some hon. Members have spoken about the relatively small investor. It is perhaps characteristic of the changed positions that we have adopted in the course of the debate that Aunt Agatha, who was such a faithful companion in the Standing Committee, has been transformed into Granny Smith for the purposes of this discussion.

The small investor will be protected. The investor will still be able to pursue investment businesses and will have the advantage of the compensation arrangements that will be made available if those investment businesses, for some reason, are not able to meet claims for compensation.

As I say, the small investor will be protected, and that is important. Such protection is at the heart of these matters, and I attach great importance to it. That has a lot to do with the reason why, after giving a great deal of thought to the possibility of a distinction, which was put forward by my hon. Friend the Member for Beaconsfield (Mr. Smith), between professional investors and small scale investors, I came to the conclusion that it would be extraordinarily difficult to arrive at such a distinction, because of the difficulties of defining a professional investor in that context. It is also unnecessary to do so, because of the protection which in any case exists for the benefit of the small investor.

I have already advanced my argument about the professional investor. The right hon. Member for Glasgow, Govan (Mr. Millan) was right to stress the importance of the definition of incidental investors. That definition will, of course, be a matter for the professional bodies themselves. It will be in their power to limit the kind of investment which their members will be allowed to undertake and which they think they will be able to regulate effectively without the benefit of immunity.

The hon. Member for Dagenham was right when he said that the path we have chosen is difficult. There are no easy decisions in this area. However, he was wrong to suggest that we were in any way sacrificing investor protection. It is because we wish to ensure that that protection is effective that I commend the new clause to the House.

Question put and agreed to.

Clause read a Second time.

Amendment proposed to the new clause: (b), in subsection (1), after 'damages', insert

'at the suit of any member of the self-regulating organisation or of any person, whether authorised or not, whom the organisation is authorised by this Act to investigate or supervise'.—*[Mr. Gould.]*

Question put, That the amendment be made:—

The House divided: Ayes 111, Noes 202.

Division No. 220] **[10 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Brown, N. *(N'c'tle-u-Tyne E)*
Bruce, Malcolm
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Robin F. *(Livingston)*
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Eastham, Ken
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Flannery, Martin
Forrester, John
Foster, Derek
Foulkes, George
Freud, Clement
George, Bruce
Godman, Dr Norman
Gould, Bryan
Hardy, Peter
Harrison, Rt Hon Walter
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hughes, Simon *(Southwark)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kirkwood, Archy
Lambie, David
Leadbitter, Ted
Lewis, Terence *(Worsley)*
Livsey, Richard
McGuire, Michael
McKay, Allen *(Penistone)*
Maclennan, Robert
McNamara, Kevin
McWilliam, John
Madden, Max
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Redmond, Martin
Robinson, G. *(Coventry NW)*
Rogers, Allan
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Shields, Mrs Elizabeth
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Spearing, Nigel
Steel, Rt Hon David
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Wallace, James
Wardell, Gareth *(Gower)*
Welsh, Michael
Wigley, Dafydd
Wilson, Gordon
Winnick, David
Woodall, Alec

Tellers for the Ayes:
Mr. James Hamilton and
Mr. Mark Fisher.

NOES

Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Crouch, David
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den

Dunn, Robert
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Gale, Roger
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Sir Eldon
Ground, Patrick
Grylls, Michael
Hamilton, Hon A *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hawksley, Warren
Hayward, Robert
Heddle, John
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th m)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Hunter, Andrew
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kershaw, Sir Anthony
Knight, Greg *(Derby N)*
Lamont, Norman
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lord, Michael
McCrindle, Robert
McCurley, Mrs Anna
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Murphy, Christopher
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Parkinson, Rt Hon Cecil
Pawsey, James
Pollock, Alexander
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Whitfield, John
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tony Durant and
Mr. Peter Lloyd.

Question accordingly negatived.

Clause added to the Bill.

BUSINESS OF THE HOUSE

Ordered.

That, at this day's sitting, the Motions relating to the Financial Services Bill, the Latent Damage Bill *[Lords]*, and the Crown Agents (Amendment) Bill, may be proceeded with though opposed, until any hour. *[Mr. Durant.]*

Financial Services Bill

As amended, in the Standing Committee, further considered.

New Clause 6

ALTERATION OF RULES FOR PROTECTION OF INVESTORS

'(1) If at any time it appears to the Secretary of State that the rules of a recognised organisation do not satisfy the requirements of paragraph 3(1) of Schedule 2 to this Act he may, instead of revoking the recognition order or making an application under section 12 above, direct the organisation to alter, or himself alter, its rules in such manner as he considers necessary for securing that the rules satisfy those requirements.

(2) If at any time it appears to the Secretary of State that the rules and practices of a recognised organisation which is concerned with two or more kinds of investment business do not satisfy any requirement of Schedule 2 to this Act in respect of investment business of any of those kinds he may, instead of revoking the recognition order or making an application under section 12 above, direct the organisation to alter, or himself alter, its rules so that they preclude a member from carrying on investment business of that kind unless he is an authorised person otherwise than by virtue of membership of the organisation.

(3) Any direction given under this section shall, on the application of the Secretary of State, be enforceable by mandamus or, in Scotland, by an order for specific performance under section 91 of the Court of Session Act 1868.

(4) Before giving a direction or making any alteration under subsection (1) above the Secretary of State shall consult the organisation concerned.

(5) A recognised organisation whose rules have been altered by or pursuant to a direction given by the Secretary of State under subsection (1) above may apply to the court and if the court is satisfied

(a) that the rules without the alteration satisfied the requirements mentioned in that subsection; or

(b) that other alterations proposed by the organisation would result in the rules satisfying those requirements,

the court may set aside the alteration made by or pursuant to the direction given by the Secretary of State and, in a case within paragraph *(b)* above, order the organisation to make the alterations proposed by it; but the setting aside of an alteration under this subsection shall not affect its previous operation.

(6) The jurisdiction conferred by subsection (5) above shall be exercisable by the High Court and the Court of Session.

(7) Section 11(2) to (7) and (9) above shall, with the necessary modifications, have effect in relation to any direction given or alteration made by the Secretary of State under subsection (2) above as they have effect in relation to an order revoking a recognition order.

(8) The fact that the rules of a recognised organisation have been altered by or pursuant to a direction given by the Secretary of State or pursuant to an order made by the court, under this section, shall not preclude their subsequent alteration or revocation by that organisation.' — *[Mr. Howard.]*

Brought up, and read the First time.

Mr. Howard: I beg to move, That the clause be read a Second time.

Mr. Speaker: With this we shall discuss Government amendments Nos. 34 to 38, 43 and 57 to 60.

Mr. Howard: When we discussed in Committee the provisions of the Bill relating to RSROs, it was clear that there was widespread support for the proposal that the Secretary of State or designated agency should have the power in certain circumstances to alter the rules of an RSRO without having to apply to the courts under the procedure provided for in clause 12. I undertook at that stage to consult interested parties and bring forward an amendment on Report. The new clause reflects the results of those consultations.

As hon. Members will recognise, the new clause incorporates the provisions of the existing clause 13. The new power is provided in subsections (1), (4), (5) and (6). The clause will allow the Secretary of State or designated agency to act quickly when the interests of investors so demand, but will also allow an RSRO an opportunity to have its original rules, or an alteration proposed by the organisation, restored. I believe that this proposal strikes the right balance between effective enforcement by the Secretary of State or designated agency and the autonomy which RSROs will need if they are to command confidence and authority. The proposal is, I believe, acceptable to the Securities and Investments Board and to the potential RSROs. I commend it to the House.

The amendments to clause 12 extend the compliance order provisions to cases where a self-regulating organisation, a registered investment exchange or a recognised clearing house has failed to comply with an obligation to which it is subject by virtue of the Bill. Under the Bill as originally drafted, such a failure was a ground for revocation of a recognition order but not for seeking a compliance order. The Government will be bringing forward amendments in another place to apply the compliance order provisions to recognised professional bodies.

The remaining amendments are largely technical. They make clear that a failure to comply with an obligation imposed under, for instance, clause 91 — which is concerned with the provision of information — constitutes grounds for the revocation of a recognition order.

10.15 pm

Mr. Gould: The new clause represents the fulfilment of yet another undertaking. I think it is fair to say, extracted from the Minister by an all-party consensus in the Standing Committee. Indeed, it could be claimed to have been our first major victory. Therefore, I am delighted to see it. Since I was criticised on an earlier occasion for failing to take credit for a change which the Minister proposed, I shall take the credit for that amendment. I also pay tribute to the Minister's hon. Friends on the Committee who agreed with the position we took. I believe that, in the end, we agreed to support the amendment of the hon. Member for Beaconsfield (Mr. Smith).

The amendment that the Minister has finally produced is, to all intents and purposes, a complete fulfilment of his undertaking. One regrets, perhaps, that the Securities and Investments Board's preference for practices as well as rules to be subject to the rule-changing power has not been given effect. I think that the Minister has gone as far as one could reasonably expect him to to meet the virtually unanimous view of the Standing Committee. Even the self-regulating organisations which, for understandable reasons, were not keen on the change have reluctantly accepted it, or at least have not resisted it too strenuously.

I should like the Minister to elaborate on two small points. The fact that a rule book change is forced on a self-regulating organisation by the new power under subsection (8) does not mean that the rule book is set in concrete. Nevertheless, it opens up, at least, the rather unattractive prospect that there may be an unedifying game of ping-pong between the SIB and an SRO. Can the Minister say how he will avoid such an unfortunate circumstance?

The Minister proposes that a self-regulating organisation which has been subjected to the power under subsection (5) should be able to go to the court to have the decision reversed. I would agree with him if he said that the power of judicial review should be available. It is difficult to see how it could be excluded. I regret that the Minister has found it necessary to provide a right of appeal, in effect, on the merits. That can only introduce an unwelcome element of uncertainty.

It is appropriate to refer to the fact that although the new clause does not deal with the matter, the Minister does not propose to introduce a similar measure in respect of recognised professional bodies, although that was something which the Committee had asked for and expressed an opinion on. As I understand from the Minister, the matter is to be dealt with in another place. One must recognise and establish that the Minister, perhaps for understandable reasons, has failed to fulfil an undertaking that he gave to the Committee. We must register our disappointment that he has not moved on that element, although we accept that he has substantially fulfilled the undertaking he gave on self-regulating organisations.

Mr. Nelson: The hon. Member for Dagenham (Mr. Gould) is difficult to please. When his arguments fail to move my hon. and learned Friend the Under-Secretary of State, he complains. When his arguments move my hon. and learned Friend, he complains. When my hon. and learned Friend changes his view because of outside influences, the hon. Gentleman commplains. My hon. and learned Friend should not feel too disappointed or surprised at the reaction to the new clause.

I very much welcome the new clause. I welcome the responsive way in which my hon. and learned Friend replied to the debate in Committee. In the judgment of many of us, it is important that the self-regulating organisations should to some extent, have their powers fettered by the supervisory intervention — at least on a contingent basis — of the designated agency, the Securities and Investments Board. I think as do many others, that it is an essential and important part of the new regulatory structure that the designated body will be able to act in certain instances quickly and positively where investor protection is imperilled.

I should like to take up specifically the point concerning the recognised professional bodies. Recently, my hon. and learned Friend answered a question that I had tabled on this matter. He made it clear that he intended to deal with their position in a rather different way. I had great misgivings about extending to any of the professions an exemption from the rule-changing power of the SIB. It seemed to me that many people in the professions were to an increasing extent, offering the same sort of investment service as many individuals or authorised persons. It would be wrong, when those people were departing from the mainstream activity of their chartered body and

[Mr. Nelson]

moving into these more lucrative areas, to extend to them a preferential status or immunity from their charter rules being changed thereby placing authorised persons operating under other SROs in a preferential position.

Having said that, I found the arguments put forward by my hon. and learned Friend very compelling. He argued that the recognised professional bodies would enable only their individual members or member firms to give incidental or limited investment advice. Because the type of business that individuals or firms within professions will be able to offer will be much more limited than the type of investment advice that other organisations will be able to offer, there is perhaps less need for the sort of rule-changing power that will be imposed on other SROs.

In accepting that, I should like to enter one important caveat. Much depends on the policing by the SIB of the professions. If it transpires that many of the recognised professional bodies are engaging, not in incidental general investment advice, but in particular wide-ranging investment advice and are operating outside the sphere of the professional body in such a way that they should get separate authorisation, this matter should be reviewed, even if it touches the sensibilities of some of the royal charter organisations. For the time being at least, it is reasonable to deal with the matter in this separate way. Perhaps my hon. and learned Friend will direct his attention to the more particular proposals that he intends to make in another place.

Mr. Ashdown: I join in welcoming the new clause and in paying tribute to the hon. Member for Beaconsfield (Mr. Smith), whose amendment in Committee is put into effect by this new clause. I am sure he recognises that other hon. Members argued for that amendment as well. It has been a vehicle for a useful debate.

I must express a degree of disappointment. The Under-Secretary of State has allowed for alteration of the rules but not followed the sensible recommendations put forward by Sir Kenneth Berrill in his letter to the Minister in which he cogently argued in favour of a similar level of intervention and power in the case of practices.

The particular practice in which one is interested is the enforcement of the rules. It is one thing to have a set of rules; it is another thing to ensure that the self-regulating organisation concerned enforces them adequately. I believe that the Minister must answer that point more fully, and I hope he will say why he agrees that there should be intervention in the case of rules without having to seek recourse to what was referred to in Committee as the "nuclear deterrent," the ultimate revocation of recognition, but he has not applied that in the case of practices.

We all recognise that we are talking about a reserve power. It is a power that is most unlikely to be used. Indeed, the fact that the power is on the statute book means, in many cases, that it will never be used. Were it not there, obviously the leverage that could be exercised by the SIB in respect of an SRO would be considerably less than it currently is. We all know, and Sir Kenneth Berrill has made it clear, that he would wish the broadest level of consultation to occur before such a reserve power was used. Therefore, it would be the ultimate "nuclear deterrent" of revocation.

If that is a reserve power, one which the Minister agrees is unlikely to be used, and would be used only under exceptional circumstances, why has he not been prepared to extend it just one small step further to ensure that the SIB can intervene in respect of practices, especially in respect of enforcement? That seems to lose nothing and to gain a great deal in the powers of the SIB.

In his reply to the letter from Sir Kenneth Berrill of 10 April the Minister said, although I did not find it convincing:

> "But I do not think there is the same need to be able to act immediately about practices. Problems about the adequacy of enforcement or other practices are likely to develop only over a period."

Would that it were always so. Unhappily, that is not the case. Reference has been made to the Westland affair. It would be wrong at this point to state categorically that the rules of the Stock Exchange were overturned in that affair. However, there is some question over the matter. What happened was that the people involved simply went ahead and acted and presented the stock exchange with what was essentially a fait accompli. There is similar concern over the activities of people involved in, for example, dawn raids and whether that infringes the rules.

The question of having an ultimate reserve power to be able to dictate or intervene in the enforcement of the rules laid down by an SRO is important, not only as a reserve power, but to enable the SIB to move quickly and effectively and with the maximum amount of influence. I believe that this is an important point, and I hope that in answering the debate the Minister will at least give rather more flesh to what I thought was scanty reasoning in his reply to Sir Kenneth Berrill, so that the House will understand why he has chosen to limit this ultimate reserve power to just short of that which I believe to be necessary.

Mr. Cash: Following the rather unsatisfactory position in which we now find ourselves as a result of passing new clause 5, I should like to welcome new clause 6 because it provides an opportunity for rectifying some of the difficulties which may arise under new clause 5. I hope that new clause 6 can be used to the fullest possible extent for that objective.

On the matter of the recognised professional bodies, I should like to draw the Minister's attention to the fact that there appears to be a slight omission from clause 18. I drew that to the Minister's attention in Committee, but it does not seem to have been taken up. On some reasonable construction of clause 18, the Law Society would not qualify as a recognised professional body. That is somewhat extraordinary and I should be glad to hear from the Minister on that point.

I should simply like to say that, at the end of the day, schedule 2 will determine the manner in which the Bill operates and, unless we use the powers of new clause 6 effectively I fear that it will not work as we had intended and as we had understood it would in Committee.

New clause 6 applies to circumstances which arise after an event has occurred, whereas new clause 5 would have created a situation in which a body—to all intents and purposes a statutory body, in respect of which the law on negligence is well established—would have been able to operate in the same way as the CEGB, for example, if it faced a statutory liability involving sums similar to those in other examples of such liability.

10.30 pm

Mr. Tim Smith: As I moved the amendment in Committee which would have had the same effect as the new clause, I should like to welcome the fact that my hon. and learned Friend the Minister has introduced the clause. I think that it meets the concerns of all those who spoke in Committee on this issue.

I shall refer to the position of recognised professional bodies because my hon. and learned Friend said in Committee that he would deal with the matter subject to the practical difficulties. We are all conscious that the position of the RPBs is different from that of the SROs as they already exist. Indeed, some of them are subject to a royal charter. There were probably two considerations that my hon. and learned Friend had in mind when he told my hon. Friend the Member for Chichester (Mr. Nelson) in an answer on Monday that he proposed to deal with RPBs by introducing provisions along the lines of clause 12.

We are talking only about incidental investment advice. My hon. and learned Friend talked about the possibility of a new sort of mainstream work for professionals, and if it is mainstream work they will not be able to follow this route. They will have to have authorisation from an SRO, or directly from the SIB. Secondly, the way in which my hon. and learned Friend proposes to deal with the matter will ensure, as the courts will be involved, that any difficulties arising from royal charters or any other constitutional problems will be dealt with by the courts.

Mr. Howard: I am grateful for the general welcome that the new clause has received. We said at the outset that judgment on this issue was finely balanced and that we would listen to the views that were expressed. It was on that basis that I felt able to accede readily to the view that was expressed almost unanimously in Committee that a direct rule-changing power should be introduced.

I confess that I was mildly surprised, but pleasantly so, that the amendment that we devised was able to obtain the approval of the SIB and the SROs. I regard that as a considerable achievement. It was a balance, and if we disturbed it in the way which has been suggested by some Opposition Members, I do not think it certain that we would preserve the accord.

The hon. Member for Dagenham (Mr. Gould) referred to clause 8, and his argument was covered by his remarks about clause 5. As the court is the arbiter of these matters, there would be no point in the ping-pong that he envisaged. It would be idle for an SRO to change immediately a rule change which had been ordered by the court, as it would find itself back in court with the same consequences. It was essential that some provision such as that in clause 8 be introduced, otherwise once a rule had been changed by the court it would be set in concrete and could not be changed. That would obviously be undesirable.

That fact that the court can consider the merits of the argument under subsection (5) is part of the balance to which I have referred, and which I believe it is important to keep. That is the answer to the hon. Member for Yeovil (Mr. Ashdown). The fact that intervention in the practices of the SRO is not to be provided by the clause is part of the same balance. I adhere to the argument that I set out in my letter to Sir Kenneth Berrill that the reason advanced for the provision for a direct rule-changing power which the clause provides is the need for speedy and effective action to be taken over the change in rules.

As it is not envisaged as part of the regulatory structure that the designated agency should interfere with specific cases for discipline or enforcement but only with the general pattern which it is its duty to assess, there cannot be the same need for a speedy and immediate response in relation to practices as is necessary with changes in the rules. That is the reason that I explained in my answer to Sir Kenneth Berrill and I do not in any way move from that. I remind the House that in order to achieve a proper balance, we must take all the elements of a solution into account.

Mr. Gould: Does the Minister agree that the development of an objectionable practice may nevertheless be evidence of a lacuna in the rules? In that sense we ought to be considering practices as well as rules, to ensure that abuses are not allowed to develop unchecked.

Mr. Howard: Of course objectionable practices should not be allowed to develop. However, the way in which the hon. Gentleman put his question confirms that that is not something that happens at a moment in time, requiring a snapshot response in the same way that a change in the rules or a failure to change the rules on the part of a self-regulatory organisation may require. The evolution of an objectionable pattern in terms of practices needs to be assessed over a period, can be assessed over a period and can be dealt with by the designated agency in many ways without the need for this immediate rule or practice-changing power which the clause provides.

Mr. Ashdown: I will not press the Minister too far on this point, because we could get into a ridiculous position. However, I would like to postulate a possible situation. There may be a set of rules in an SRO — for example, the stock exchange — which govern the business of the operation of dawn raids. A pattern may develop in the stock exchange where a number of these are causing damage to the probity of the stock exchange and of the City and operating in a way that is damaging to the investors. There are rules, but the stock exchange has chosen, for all sorts of complicated reasons no doubt, through the enormous pressure from its members, simply not to enforce those rules or not to enforce them adequately. In this matter of enforcement, it would be important for the SIB to be able to act quickly and to have a reserve power whereby the SIB can say that the rule must be enforced more effectively to provide precisely the swift action which I believe is necessary.

Mr. Howard: The hon. Gentleman's example proves my point. It would be undesirable for the designated agency to intervene in any specific case of abuse of that nature. If the hon. Gentleman is worried about a pattern, which by definition is not instant but which develops over a period, the designated agency would be able to make use of the other remedies that are available to ensure that proper enforcement is undertaken by self-regulating organisations. I do not think that the case for instant response of the kind which the direct rule-changing power confers has been made out in connection with practices. I believe that the balance is about right in the clause as it stands and I commend it to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 7

RECIPROCAL FACILITIES FOR FINANCIAL BUSINESS

'(1) If it appears to the Secretary of State or the Treasury that by reason of,

(*a*) the law of any country outside the United Kingdom; or

(*b*) any action taken by or the practices of the government of any other authority or body in that country,

persons connected with the United Kingdom are unable to carry on investment, insurance or banking business in, or in relation to, that country on terms as favourable as those on which persons connected with that country are able to carry on any such business in, or in relation to, the United Kingdom, the Secretary of State or, as the case may be, the Treasury may serve a notice under this subsection on any person connected with that country who is carrying on or appears to them to intend to carry on any such business in, or in relation to, the United Kingdom.

(2) No notice shall be served under subsection (1) above unless the Secretary of State or, as the case may be, the Treasury consider it in the national interest to serve it, and before doing so the Secretary of State or, as the case may be, the Treasury shall so far as they consider expedient consult such body or bodies as appear to them to represent the interests of persons likely to be affected.

(3) A notice under subsection (1) above shall state the grounds on which it is given (identifying the country in relation to which those grounds are considered to exist), and any such notice shall come into force on such date as may be specified in it.

(4) For the purposes of this section a person is connected with a country if it appears to the Secretary of State or, as the case may be, the Treasury

(*a*) in the case of an individual, that he is a national of or resident in that country or carries on investment, insurance or banking business from a principal place of business there;

(*b*) in the case of a body corporate, that it is incorporated or has a principal place of business in that country or is controlled by a person or persons connected with that country;

(*c*) in the case of a partnership, that it has a principal place of business in that country or that any partner is connected with that country;

(*d*) in the case of an incorporated association which is not a partnership, that it is formed under the law of that country, has a principal place of business there or is controlled by a person or persons connected with that country.

(5) In this section "country" includes any territory or part of a country or territory; and where it appears to the Secretary of State or, as the case may be, the Treasury that there are such grounds as are mentioned in subsection (1) above in the case of any part of a country or territory their powers under that subsection shall also be exercisable in respect of any person who is connected with that country or territory or any other part of it.'—*[Mr. Howard.]*

Brought up, and read the First time

Mr. Howard: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Paul Dean): With this it will be convenient to consider Government new clauses 8, 9 and 10 and Government amendments 251, 254 and 257.

Mr. Howard: New clauses 7, 8, 9 and 10 replace clause 151. The changes are designed to make the reciprocity provision more flexible. It was decided to include a reciprocity provision in the Bill to provide the United Kingdom with leverage in seeking access for our financial services firms to foreign markets. At present there are no powers to prevent foreign firms from becoming established as banks or securities dealers, provided they meet the legal requirements. The reciprocity provision empowers the Secretary of State—the power is not to be transferable to the designated agency—to disqualify or restrict a foreign connected firm from carrying out investment or insurance business if British firms do not enjoy access to that foreign market equivalent to that which foreign firms enjoy here. The Treasury has a similar power to disqualify in respect of banking business. The power is applicable to those seeking authorisation as well as to those already authorised to do business.

The power as originally drafted would have meant disqualifying or restricting a firm in respect of all of its investment, insurance or banking business. On reflection, we consider that this total business approach lacks flexibility and risks unnecessary hardship for investors.

We now propose, therefore, to introduce a further category of restriction—a partial restriction notice. It will enable the Secretary of State, or the Treasury, to focus any such restriction on any type of business which a firm is authorised to carry out, or on the way in which such business may be conducted. A firm might be prohibited from dealing in options on securities but not from dealing in the underlying securities themselves. Similarly, a firm might be prohibited from dealing with certain categories or, by contrast, confined to dealing only with certain categories. It will give us much greater flexibility in deciding how to use the reciprocity power, the allow us more easily to take into account the interests of British investors, policyholders or depositors.

The Secretary of State and the Treasury will be subject to the same requirements and will be required to follow the same procedures for partial restriction notices as for other forms of notice served under this provision. The restriction must be considered to be in the national interest, the notice must state the grounds and it must give a date when it will come into effect.

We were persuaded by discussion in Committee that notices should not automatically come into effect on the date of service to give the firms affected an opportunity to unwind their existing busines with the minimum adverse impact on investors, policyholders, or depositors. We were also persuaded that disqualification notices should not restrict authorisation in respect of contracts entered into before the notice comes into force. This, too, will minimise the adverse effect on investors, policyholders, or depositors.

This is an important provision. Knowledge that it is to be included in the Bill has already helped us in seeking improved access to foreign markets for our financial firms. Nor are we alone. Many other countries already have a variety of reciprocity provisions in respect of financial services, and many of those provisions require strict reciprocity, failing which access is forbidden. Our provision is discretionary. We have the choice whether or when to use it and the ability to be selective about how we use it. Of course, we hope not to have to use it, but we will not hesitate to do so if we have to.

As a consequence of these changes, it is necessary to leave out clause 151. Further consequential changes are needed to clause 158 to ensure that prosecutions in respect of offences under new clause 9 are instituted in the same way as prosecutions for breaches of the Banking Act 1979.

Mr. Gould: As the Minister knows, we welcome the reciprocity provisions.

The Minister used the euphemism of increased flexibility. Will he concede that one of the principal

changes effected by these four new clauses is to strike out the retrospective nature of the disqualification order, which was understandably objected to by some Conservative members of the Committee?

Will the Minister assure us that the increased flexibility does not imply a derogation of the admirably robust sentiments that were expressed in Committee, which found a welcoming echo from the Opposition, and that the reciprocity provisions will be enforced with all due vigour?

Mr. Nelson: I oppose this group of new clauses and amendments. It is somewhat futile for me to say so, and I promise not to be an impediment to their passage. I expressed my objections on Second Reading and in Committee, and had suffered the ignominy of being the only person to vote against the provision. I want to restate my objections because I know that, if they are not shared by any other hon. Members, they are shared by some people outside the House.

I object to these reciprocity provisions for several reasons. One is that they lie uneasily in the Bill. They have nothing whatever to do with investor protection and should not be here. They are wrong because they seek to infringe the practice and obligations of companies that have legitimately engaged in business, been attracted here, provided employment and prosperity and enhanced the productivity and foreign earnings of the City of London. They are also in restraint of the competition principles to which I think that my party and Government should subscribe. I accept that they have helped my hon. and learned Friend the Minister, most recently in Japan, but I regret that more countries must engage in such sword-of-Damocles legislation. It lies uneasily with other principles that we expound, and I like to think that I have been no party to it. But I shall not waste the time of the House other than to restate my objections, for I fear that, in the course of time, the matter will be raised again.

10.45 pm

Mr. Ashdown: I rise briefly to correct the hon. Member for Chichester (Mr. Nelson), who forgot that I voted with him in Committee on that occasion. However, he is alone now. The Minister has moved, and I am grateful for the flexibility that he has introduced in operation and discretion. Although I share many of the hon. Gentleman's sentiments, for exactly the same reasons, it is important to have such a power available to be used as flexibly as possible. Contrary to the comments of the hon. Member for Dagenham (Mr. Gould), whose first instinct in such matters seems to be the Little Englander idea of trading practices and reciprocal operations, I hope that the Minister will use the provision sparingly, recognising that there is increasing protectionism in the world, which must damage Britain's trading capacity, especially since it is primarily a trading nation.

Mr. Howard: I share the regret expressed by my hon. Friend the Member for Chichester (Mr. Nelson) at the need for such swords of Damocles. However, I am no more in favour of unilateral disarmament in this area than I am in others.

I can briefly answer the two questions asked by the hon. Member for Dagenham (Mr. Gould). I see no inconsistency between the flexibility called for by the hon. Member for Yeovil (Mr. Ashdown) and the rigour called for by the hon. Member for Dagenham. I hope that the clause will be applied flexibly and rigorously, and I am happy to answer both his questions in the affirmative.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 8

INVESTMENT AND INSURANCE BUSINESS

"(1) A notice under section *[Reciprocal facilities for financial business]* above relating to the carrying on of investment business or insurance business shall be served by the Secretary of State and such a notice may be a disqualification notice, a restriction notice or a partial restriction notice and may relate to the carrying on of business of both kinds.

(2) A disqualification notice as respects investment business or insurance business shall have the effect of

(a) cancelling any authorisation of the person concerned to carry on that business after the expiry of such period after the service of the notice as may be specified in it;

(b) disqualifying him from becoming authorised to carry on that business after the expiry of that period; and

(c) restricting any authorisation of the person concerned in respect of that business during that period to the performance of contracts entered into before the notice comes into force;

and the period specified in such a notice shall be such period as appears to the Secretary of State to be reasonable to enable the person on whom it is served to complete the performance of those contracts and to terminate such of them as are of a continuing nature.

(3) A restriction notice as respects investment business or insurance business shall have the effect of restricting any authorisation of the person concerned in respect of that business to the performance of contracts entered into before the notice comes into force.

(4) A partial restriction notice as respects investment business may prohibit the person concerned from

(a) entering into transactions of any specified kind or entering into them except in specified circumstances or to a specified extent;

(b) soliciting business from persons of a specified kind or otherwise than from such persons;

(c) carrying on business in a specified manner or otherwise than in a specified manner.

(5) A partial restriction notice as respects insurance business may direct that the person concerned shall cease to be authorised under section 3 or 4 of the Insurance Companies Act 1982 to effect contracts of insurance of any description specified in the notice.

(6) If it appears to the Secretary of State that a person on whom he serves a notice under section *[Reciprocal facilities for financial business]* above as respects investment business is an authorised person by virtue of an authorisation granted by a designated agency or by virtue of membership of a recognised self-regulating organisation or recognised professional body he shall serve a copy of the notice on that agency, organisation or body.

(7) If it appears to the Secretary of State—

(a) that any person on whom a partial restriction notice has been served by him has contravened any provision of that notice or, in the case of a notice under subsection (5) above, effected a contract of insurance of a description specified in the notice; and

(b) that any such grounds as are mentioned in subsection (1) of section *[Reciprocal facilities for financial business]* above still exist in the case of the country concerned,

he may serve a disqualification notice or a restriction notice on him under that section.

(8) Sections 27, 32, 55, 56 and 57 above shall have effect in relation to a contravention of such a notice as is mentioned

[Mr. Howard]

in subsection (4) above as they have effect in relation to any such contravention as is mentioned in those sections.'—*[Mr. Howard.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 9

BANKING BUSINESS

'(1) A notice under section *[Reciprocal facilities for financial business]* above relating to the carrying on of a deposit-taking business as a recognised bank or licensed institution within the meaning of the Banking Act 1979 shall be served by the Treasury and may be either a disqualification notice or a partial restriction notice.

(2) A disqualification notice relating to such business shall have the effect of—

(a) cancelling any recognition or licence granted to the person concerned under the Banking Act 1979; and

(b) disqualifying him from becoming a recognised bank or licensed institution within the meaning of that Act.

(3) A partial restriction notice relating to such business may—

(a) prohibit the person concerned from dealing with or disposing of his assets in any manner specified in the direction;

(b) impose limitations on the acceptance by him of deposits;

(c) prohibit him from soliciting deposits either generally or from persons who are not already depositors;

(d) prohibit him from entering into any other transaction or class of transactions;

(e) require him to take certain steps, to pursue or refrain from pursuing a particular course of activities or to restrict the scope of his business in a particular way.

(4) The Treasury shall serve on the Bank of England a copy of any notice served by them under section *[Reciprocal facilities for financial business]* above.

(5) Any person who contravenes any provision of a partial restriction notice served on him by the Treasury under this section shall be guilty of an offence and liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding the statutory maximum.

(6) Any such contravention shall be actionable at the suit of any person who suffers loss as a result of the contravention or is otherwise adversely affected by it, but no such contravention shall invalidate any transaction.

(7) At the end of subsection (1) of section 8 of the Banking Act 1979 (power to give directions in connection with termination of deposit-taking authority) there shall be inserted—

"*(d)* at any time after a disqualification notice has been served on the institution by the Treasury under section *[Reciprocal facilities for financial business]* of the Financial Services Act 1986.".'.—*[Mr. Howard.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 10

VARIATION AND REVOCATION OF NOTICES

'(1) The Secretary of State or the Treasury may vary a partial restriction notice served under section *[Reciprocal facilities for financial business]* above by a notice in writing served on the person concerned; and any such notice shall come into force on such date as is specified in the notice.

(2) A notice under section *[Reciprocal facilities for financial business]* above may be revoked at any time by the Secretary of State or, as the case may be, the Treasury by serving a revocation notice on the person concerned; and the Secretary of State or, as the case may be, the Treasury shall revoke a notice if it appears to them that there are no longer any such grounds as are mentioned in subsection (1) of that section in the case of the country concerned.

(3) The revocation of a disqualification notice as respects investment business or insurance business shall not have the effect of reviving the authorisation which was cancelled by the notice except where the notice relates to investment business and the person concerned would (apart from the disqualification notice) at the time of the revocation be an authorised person as respects the investment business in question by virtue of his membership of a recognised self-regulating organisation or recognised professional body.

(4) The revocation of a disqualification notice as respects banking business shall not have the effect of reviving the recognition or licence which was cancelled by the notice.

(5) Nothing in subsection (3) or (4) above shall be construed as preventing any person who has been subject to a disqualification notice as respects any business from again becoming authorised or, as the case may be, becoming a recognised bank or licensed institution within the meaning of the Banking Act 1979 after the revocation of the notice.

(6) If it appears to the Secretary of State that a person on whom he serves a notice under this section as respects investment business was an authorised person by virtue of an authorisation granted by a designated agency or by virtue of membership of recognised self-regulating organisation or recognised professional body at the time that the notice which is being varied or revoked was served, he shall serve a copy of the notice on that agency, organisation or body.

(7) The Treasury shall serve on the Bank of England a copy of any notice served by them under this section.'.—*[Mr. Howard.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 11

INDUSTRIAL ASSURANCE

'(1) In section 5 of the Industrial Assurance Act 1923 (prohibition on issue of illegal policies) the references to policies which are illegal or not within the legal powers of a society or company shall not be construed as applying to any policy issued—

(a) in the course of carrying on investment business in contravention of section 3 above; or

(b) in the course of carrying on insurance business in contravention of section 2 of the Insurance Companies Act 1982.

(2) In section 20(4) of the said Act of 1923 the reference to a person employed by a collecting society or industrial assurance company and in section 34 of that Act the references to a person in the regular employment of such a society or company shall include references to an appointed representative of such a society or company but as respects secton 34 only if the contract in question is an investment agreement.

(3) No dispute to which rules made by virtue of section 45(2) *(j)* above (or corresponding rules made by a recognised self-regulating organisation) apply shall be referred to the Industrial Assurance Commissioner under section 32 of the said Act of 1923 but where those rules relate only to part of the matters in dispute—

(a) this subsection shall not preclude the reference to the Commissioner of the matters to which the rules do not relate; and

(b) the Commissioner may, if he thinks fit, delegate his functions in respect of those matters so as to enable all the matters in dispute to be determined in accordance with the rules.

(4) The foregoing provisions of this section shall apply to Northern Ireland with the substitution for the references to sections 5, 20(4), 32 and 34 of the said Act of 1923 of references to Articles 20, 27(2), 36 and 38 of the Industrial Assurance (Northern Ireland) Order 1979 and for the references to the Industrail Assurance Commissioner of references to the Industrial Assurance Commissioner for Northern Ireland.'.—*[Mr. Butcher.]*

Brought up, read the First and Second time, and added to the Bill.

Further consideration adjourned. *[Mr. Lennox-Boyd.]*

To be further considered tomorrow.

Latent Damage Bill *[Lords]*

Order for Second Reading read

10.43 pm

The Solicitor-General (Sir Patrick Mayhew): I beg to move, That the Bill be now read a Second time.

The Law Reform Committee has been in existence for 34 years. Its work is patient and constructive, and its valuable reports upon the matters referred to it by the Lord Chancellor recommend practical measures of law reform. It is a good thing. Accordingly, the world being what it is, not many people know about it.

The Bill seeks to enact the recommendations of the committee's 24th report, published in November 1984, on the subject of latent damage. It was asked to consider the law relating to the accrual of the cause of action and limitation in negligence cases involving latent defects, other than latent disease or injury to the person. Those cases can cause great distress. The law governing them must be practical, even-handed and just.

The character of the Bill is revealed by the words in which the committee expressed the first of its conclusions in its report:

"The present law is unjust to plaintiffs and defendants. In our view, it requires reform which will take care of the interests of both. Reform is, therefore, bound to be, in effect, a compromise between conflicting interests."

That is exactly what the Bill comprises — a compromise between conflicting interests.

The Bill has three main objectives. The first is to amend the law relating to limitation of actions in negligence cases by providing potential plaintiffs with an extended period within which to commence proceedings of this nature. The second is to provide potential defendants with an overriding time limit, or a long stop, that will bar proceedings once 15 years have elapsed from the date of the defendant's original breach of duty. Thirdly, it gives a right of action to a person who acquired already damaged property when the fact of such damage was not already known and could not be known to him at the time when he acquired his interest.

In negligence cases it is the law that the cause of action accrues when damage occurs. The ordinary limitation period for negligence actions — apart from cases of personal injury with which the Bill is not concerned — is six years. Proceedings must be commenced within that time. Thereafter they will be time-barred.

In most cases of negligence the plaintiff is perfectly well able to discover within the normal six-year period of limitation that he has suffered damage. But in some cases, a defendant's negligence, or its effects, may lie hidden for years. For example, if a builder puts into a building defective foundations, the owner of the building may be quite unaware of the error. The property may pass through several hands before the damage becomes apparent. That can be many years after the initial lack of care.

In such cases, and they are multifarious in their circumstances, serious damage can result and real hardship may be caused. But the present law of limitation of actions often obstructs justice and is less than practical.

Under the present law, whose judicial development has been distinguished by some remarkable oscillations, for the victim of a negligent act or omission the starting date for reckoning the period of limitation is the date when the damage actually occurs, and time will start to run against him even if the damage is not discoverable. The result is that potential plaintiffs may find themselves barred from action before they knew, or could even be in a position to know, that they had suffered damage.

Potential defendants, too, are handicapped because they have no way of telling in advance for how long they may be at risk of legal proceedings. Where damage does not occur until long after the events giving rise to it, they are likely to be faced with the grave practical difficulties of contesting a very stale claim. Although the date of accrual is no longer — since the Pirelli case in the House of Lords — governed by discoverability, it still starts from the date of damage and it cannot be predicted when damage will occur.

The Law Reform Committee, in formulating its recommendations for reform, identified three principles which it described as being "of critical importance". They were, first, that plaintiffs must have a fair and sufficient opportunity of pursuing their remedy; secondly, that defendants are entitled to be protected against stale claims, although the sad truth is that no reform of the law can eliminate the factual uncertainties which are likely to arise in cases of latent damage; and, thirdly, that uncertainty in the law is to be avoided wherever possible.

The committee said that it would not find any proposal for reform of the law acceptable which failed in any significant respect to satisfy those criteria. Therefore, it recommended that the ordinary period of limitation of six years should be subject to a special extension which would allow the plaintiff three years from the date on which he discovered, or could reasonably have discovered, that he had suffered significant damage.

Secondly, the committee recommended that there should be a long stop which should operate to bar all negligence claims involving latent defects brought more than 15 years from the date of the defendant's breach of duty. The committee's remaining recommendations, although they are quite important, are essentially consequential upon its two principal recommendations.

Mr. Eric Forth (Mid-Worcestershire): Will my hon. and learned Friend tell the House at some stage in his remarks whether he is satisfied that the interests of potential defendants in such cases will be sufficiently safeguarded by the proposals? I have in mind professional people, such as architects, one of whom has approached me about the matter. They are worried that their possibility of obtaining liability insurance will be minimised or even reduced to almost zero precisely because of the potentially open-ended nature of their liability under these proposals, as the 15-year limitation runs only from the date of discovery. Therefore, an architect may find that a fault is found many years after he has designed a building, and 15 years after that he will still be liable. Can my hon. and learned Friend satisfy my constituent and me that my constituent has any hope of obtaining effective professional liability insurance under these proposals?

The Solicitor-General: I acknowledge that there are genuine anxieties about obtaining insurance for liability for latent defect, and they were expressed to the Committee which gave them serious consideration. There is a problem. If I am asked whether the interests of architects are sufficiently well protected, my reply is yes, in the context of the necessity to balance the interests of

architects and others engaged in the construction industry on the one hand, and the interests of consumers on the other. As I said at the beginning the committee said that this was an exercise in balancing conflicting interests, and I believe that that exercise has been satisfactorily achieved.

The 15-year override represents a new element in the law. As my hon. Friend knows, delay can extend, perhaps for 20 years before damage occurs, but under existing law, the architect or defendant is liable. At least that uncertainty is terminated by the 15-year override.

Mr. James Couchman (Gillingham): Is my hon. and learned Friend aware of the concern that has been expressed by a number of professional people that the 15 years can follow someone well into retirement and that even a widow may be saddled with the responsibility of her late professional husband within the 15 years?

The Solicitor-General: Indeed, I am aware of that and the committee expressly took that circumstance into account in its report. I should correct my hon. Friend the Member for Mid-Worcestershire (Mr. Forth), who said that the 15-year time bar derived from the date when the damage was discovered. That is not the case; it derives from the date of the defendant's breach of duty.

While insurance was not within the remit of the Law Reform Committee, it considered that the question of insurance should be considered by an appropriately qualified body. The Building Economic Development Committee is at present investigating the desirability and feasibility of latent defects protection insurance for non-residential buildings. Its work is taking fully into account the interests of building owners and producers, and we are awaiting its conclusions with the greatest of interest. Its work is being based on a report entitled: "Latent defects in buildings: An analysis of insurance possibilities" prepared by Atkins Planning. It is a substantial document.

Mr. Michael McNair-Wilson (Newbury): There seems to be a certain inequity, since under the long-stop situation somebody who retires at 65 could still require professional indemnity insurance up to the age of 80, whereas a person who faces the same sort of problem but who still has several years of active working life ahead will be able to meet the indemnity more easily. Is the Solicitor-General satisfied that we should treat everybody the same, regardless of age? Perhaps in the case of those who are retired, we should limit the period to one more brief than 15 years.

The Solicitor-General: I can see an advantage in that from the practitioner's point of view. However, I can see no advantage at all for the customer or the client. I have no doubt that these matters will be taken into account in the course of the examination that I have mentioned. They are important and far from simple matters.

As I said, the committee's remaining recommendations are essentially consequential on its two principal recommendations. The committee concluded that its recommendations should be of general application and not confined to any specific area of activity, such as building, or class of litigant, such as house purchasers. I have explained in general terms the scope and scheme of this measure. It is confined to the tort of negligence. It does not attempt to deal with limitation under other heads of tortious liability, such as a breach of statutory duty or nuisance, nor is it concerned with matters, substantive or procedural, arising out of contract. It is confined to what the Law Reform Committee referred to in paragraph 4.4 of its report as the

"relatively narrow band of 'negligence cases involving latent defects'".

The scheme is as follows. Clause 1 inserts two new sections into the principal Act, the Limitation Act 1980. New section 14A is what might be called the plaintiff's provision. It provides a special time limit for negligence actions where facts relevant to the cause of action are not known at the date of the accrual. It provides for a period of six years from the actual occurrence of the damage, which is the normal rule, or three years from the date on which the plaintiff knew or ought to have known of facts about the damage if that period expires later, within which he can institute proceedings.

New section 14B is the main defendant's provision. It provides the long stop. It prevents the institution of proceedings after 15 years from the date of the defendant's original breach of duty. The effect of the long-stop is to bar the plaintiff's remedy. It does not extinguish his right of action. It vests a defendant with the right to rely on the defence of limitation even where the plaintiff still does not know that he has suffered damage. This is because there does come a time beyond which the Government and the Law Reform Committee consider it becomes unjustifiably onerous to require potential defendants to preserve their records and to remain exposed to the uncertainties and difficulties of responding to stale claims in respect of long-past incidents.

Mr. Forth: I crave the indulgence of my hon. and learned Friend. I am a layman in these matters, as some of my hon. Friends have been kind enough gently to point out to me. If an architect makes a fault in the design of a building and that fault is discovered 16 years later, does that absolve him from responsibility? Architecture is but one of the many professions involved in these cases. If the fault is discovered many years after the original design, does the 15 years run from that point or does the period start at the point where the faulty design work is carried out? I and my constituent would like to be reassured on that point.

The Solicitor-General: The period is taken from the date of the original breach of duty. The starting point for reckoning the 15 years, the overriding time limit, is from the date of the breach of duty and not from the date on which the damage is discovered. I hope that reassures my hon. Friend.

Mr. Simon Hughes (Southwark and Bermondsey): I should like to raise a different point about the starting date. There is still general anxiety that the accrual date for a cause of action might be difficult to define in certain circumstances. For example, one might not know whether the defect related to foundations laid in year one or year two of the building project. This might ultimately manifest itself in a defect in a building. Is it possible to consider at a later stage, or has such consideration already been rejected, a definition that relates, perhaps, to the certified completion date of the building so that one can have a more precise layman's understanding of the date from which the cause of action starts to accrue?

The Solicitor-General: It would be possible to use the completion date. That was considered by the Committee and rejected for reasons to which I shall come in about 45 seconds, if I do not give way again.

The length and date of the long-stop period follows precisely the recommendations of the Law Reform Committee. On the length of the long stop, the committee considered a number of periods of different duration. At paragraph 4.13 of its Report, it observed that the long-stop should not be so long that it had no useful effect, nor so short that it would cause injustice. It said:

"We have come to the conclusion that a period of 12 years, although it would probably work satisfactorily in most cases, might also bar some worthy claims. At the other extreme we think that a 20 year period might permit some very stale claims and expose many defendants to the risk of litigation for an unreasonable length of time. We have concluded that a 15-year period strikes the right balance between justice for plaintiffs and certainly for defendants".

The Government believe that the committee, looking at the matter from an entirely independent point of view, struck the right balance. The Lord Chancellor's Department consulted on the committee's report, and received conflicting responses, notably from those concerned within the construction industry and the appropriate professional bodies. Some commentators thought that the period was too short to be fair to plaintiffs. They suggested that nothing less than a 20-year period would be sufficient. Others have argued that the court should be empowered to exercise a discretion to permit claims after the 15-year period has expired, basing their argument on the discretion available to the courts to set aside the statutory time limit in personal injury cases. Others, with the interest of potential defendants in mind, argued that the proposed 15-years is too long. Some have suggested 12 years, others 10 or even six years. One group even suggested three months, which would at least have been a gesture.

As the Law Reform Committee recognised, the interests of potential plaintiffs and defendants conflict. Its conclusion was that the law required reform that would take care of the interests of both, which is bound to result in a compromise. We consider that the 15 years provides potential plaintiffs with a sufficient opportunity to pursue their remedy, but also provides the potential defendants with proper protection against really stale claims. It provides both with certainty, which the present law demonstrably lacks. It is not restricted to any one area or industry and covers the full range of possible instances of latent damage.

The starting date for reckoning the long-stop period has also been the subject of much discussion. The Law Reform Committee concluded that it should start to run from the date of the defendant's breach of duty. That is the effect of subsection (1) of new section 14B. Some have criticised this approach for its alleged uncertainty. An alternative suggestion that has been put forward on behalf of th construction industry is the date of completion of the building. The Law Reform Committee considered several alternative dates of commencement. Of the "date of completion" approach it said:

"We are doubtful, though, whether this is really a satisfactory alternative and in particular we can see formidable difficulties in adapting the concept of completion to all the types of circumstances (other than personal injury) where latent damage might arise. There is also the possibility of injustice to defendants where completion, on a very large project for instance, takes place many years after the relevant breach of duty."

It came down in favour of breach of duty. I need not develop further the basis for that.

Mr. Simon Hughes *rose*

The Solicitor-General: I wish to get on, and I have given way several times.

Clause 2, which is consequential on clause 1, adds a new section 28A to the 1980 Act. Subsection (1) gives additional protection to those who are under a disability at the time of discoverability. Subsection (2) disapplies the special time limits in new section 14A, and the long-stop in new section 14B, in negligence cases where the defendant has deliberately concealed facts from the plaintiff.

Clause 3 creates a fresh cause of action for the successor in title — he may, for instance, be a purchaser — who does not know and could not be expected to have known that the relevant property was already damaged when he acquired his interest. Time will run in future as if no transfer had occurred, but it will be treated as having started on the date when the original cause of action accrued. The balance is thus maintained.

The remaining provisions of the Bill are purely supplementary and do not require any elaboration at this stage.

This short but highly technical Bill will make for fewer hard cases, although it will not eliminate them, and for better law. I commend it to the House.

11.10 pm

Mr. John Morris (Aberavon): I am sure that the thanks of the whole House go to the Solicitor-General for his careful exposition of the Bill. Our thanks also go — as did those of the Solicitor-General — to Lord Scarman and the distinguished members of the Law Reform Committee, upon whose 24th report the Bill is based.

Let me say immediately that I support the principles of the Bill, in the same spirit as Lord Silkin of Dulwich did in another place. The current mischief related by the Solicitor-General is dealt with by the Bill. Some may say that the Bill has gone too far, while others may say that it does not go far enough. However, the introduction of such proposals as are before us is not an exact science. To satisfy everyone would be simply wonderful, but, as the Solicitor-General said, this is a compromise Bill; with all the strengths and weaknesses of a compromise. That does not mean that necessarily I am satisfied with every proposal, and I shall return to some of them.

Although the Bill does not deal exclusively with causes of action in negligence arising from latent defects in buildings, it is in this area that the mischief primarily lay, and I prophesy that it is in this area that most advantage will be taken of it.

Defendants and their organisations are usually well organised, and there have been interventions in that vein. They are frequently insured and well able to take care of themselves. On the other hand, plaintiffs are one-off sufferers and frequently one-off litigants. I would have thought that Conservative Members would intervene on behalf of those who believe in a home-owning democracy. There has been none so far, but perhaps we shall hear interventions on behalf of greater and better protection for plaintiffs. I look forward to that.

The resources of plaintiffs are generally much more limited, and I shall not weep unduly if the balance is tilted more in favour of plaintiffs. On the other hand, as the Solicitor-General rightly said, the Bill brings certainty to defendants as well.

Nevertheless, I want to raise a real problem which I hope the Solicitor-General and the Lord Chancellor's Department will consider. It is a growing problem that will be considered more and more in due course, and it relates to the growth of claims for professional negligence. One is told that in some areas the practice of medicine is becoming increasingly more hazardous in the United States becaue of the substantial growth of negligence claims. Here in the last five years there has been a dramatic growth in personal claims for professional negligence, resulting in an increased cost of insurance premiums.

Where a claim is justified, every facility must be provided so that just claims brought in reasonable time are not denied justice, but we should be aware of the consequences, and the parallel that I shall pose has general application to the area with which we are now dealing.

If medicine ever became too expensive to practise because of the high cost of insurance, the bottom line of benefit to the public would be a minus figure. This is an extreme example. In the area with which we are now dealing — architecture in particular — claims running to millions of pounds can arise even after the death of the architect. Indeed, I understand that in one instance in Liverpool the widow of a notable architect was sued many years after his death. That is a matter that we must examine. The responsibility on accountants is becoming more onerous daily as one reads of the claims contemplated for huge amounts in litigation.

The repeal of the model Act in 1825, the passing of the Joint Stock Companies Act in 1844 and the eventual Limited Liability Act in 1855, were major milestones in the creation of modern society. I suspect that the concept of limited liability was not achieved without considerable growing pains. It certainly was the engine for the development of this country as an industrial nation and a world financial capital. If the principle of personal liability had been maintained — I am sure that there were good reasons — progress would have been stultified.

I raise this point now, against the background of the Bill. I believe that those who give professional advice should be responsible for that advice and should, in the case of negligence, be made to answer for it if damage is caused. Fortunately, well-ordered professions are insured. My profession certainly is and the costs can be recouped from a broad spread of clients. However, when a claim exceeds the insured amount, the result can break an individual's professional practice. Many professions, including mine, will not allow partnerships, let alone limited liability. Has not the time come to examine seriously limited liability for those who give professional advice?

As I said earlier, it is of no value to the public if professions become too hazardous to practise, or if because of one major claim dispensers of counsel are put out of business. It is of no benefit to the individual plaintiff if insufficient funds are available to meet his claim. It is of no benefit to him if the cost of insurance is so enormous that he has to pay through the nose for services. I believe strongly in taking responsibility for damage, wherever it occurs, but we must consider where we are going as regards quantum.

I endorse the principles behind the Bill. As the Solicitor-General said, plaintiffs must have a fair and sufficient opportunity to pursue their remedies. Secondly, defendants are entitled to protection against stale claims. Thirdly, uncertainty in the law is to be avoided where possible.

The countermanding of the wisdom in the cases of Sporham-Souter in 1976, Anns v. London Borough of Merton and similar cases by the Pirelli case, which was mentioned by the Solicitor-General, was not only a matter of great regret, but was little short of a catastrophe. The House of Lords in its judicial capacity, was right to say that it was time that this matter was looked into.

It needed this Bill to deal with that last decision, when it was held that the date of limitation arose when the cracks in the chimney first appeared, although no one had seen them, no one had been up the chimney and no one knew that they were there. This measure brings relief by adding to the provision that action may be brought, in addition to the present liability period, three years from the date on which the plaintiff knew, or should have known, about the damage — whichever is the later.

Of course, the Bill does not pretend to cover every case. Some will fall outside even this extension, but hopefully very few. A limitation in the 15-year long-stop period is now proposed. The case for that is the need for certainty. There must be some end — although it can be argued as to what should be the end — to the possibility of litigation. There is a dichotomy between the principle of certainty and the principle of fair and sufficient opportunity to bring an action.

I believe that the Committee has made a fair stab at the problem. However, I should have preferred it to examine, as has been done in other limitation areas, the possibility of some flexibility. This is a matter to which we may return in Standing Committee, to determine whether the proposed period is right, whether it is too comprehensive and whether some discretion should be exercised in the way in which it operates.

There were many important discussions — and we value them — in another place. Many amendments were tabled, especially by the noble Lord Hacking, who prosecuted many of them with great zeal. However, none of the total of 15 amendments moved in Committee or of the six on Report were accepted. It might be that we will not pursue all these matters in Committee, but we may wish to raise some of them especially the long-stop period.

At this hour of the night I do not propose to weary the House by going into any further details, save to repeat that while it is a compromise Bill, it is a fair attempt to put the law — certainly in one respect — where it was before and to bring certainty, which should be valued by defendants.

The noble Lord Denning said that this was a reforming Bill in a situation that was crying out for reform. I certainly support the spirit of the Bill.

11.22 pm

Mr. Sydney Chapman (Chipping Barnet): It may be helpful if I declare a possible interest. I am a non-practising architect, but I have been a member of the Royal Institute of British Architects for 26 years.

To judge from the remarks that have been made, it is obvious that architects in particular and the construction industry in general are deeply affected by the provisions of the Bill. I welcome the principle of the Bill, which tries to strike a balance of fairness between — to use legal

[Mr. Sydney Chapman]

jargon — potential plaintiffs, who, generally speaking, and in terms of the Bill, would be owners of buildings, and potential defendants, who could be not only architects, builders, subcontractors, specialists and civil engineers, but local authorities. They have responsibilities in the process of building, not least in inspecting the building works to ensure they are in accordance with the building regulations.

There is no doubt in my mind that there is a need for a change in the law on latent damage, because it is complex, obscure and uncertain, and has been for the past 10 years, principally as a result of a judicial decision known as Anns *v.* London Borough of Merton. Unfortunately, many people in the construction industry have concluded that the compromise solution — I accept that there must be a compromise — instigated by the Lord Chancellor's Law Reform Committee, whose proposals are clearly the basis for the Bill, leaves the law just as uncertain, complex and obscure, if not more so.

I shall say why I believe that to be the case. There are three themes to the measure. The first is that it is designed to retain the existing limitation of six years from the accrual of the cause of action, and it still leaves the courts to determine whether the cause of action accrues at common law. Secondly, the Bill decrees — this is my word — that there is a long-stop of 15 years from the date of the breach of duty. Thirdly, the plaintiff must bring his action within three years of what has been called "discoverability" — the word is not specifically mentioned in the Bill — of the latent damage. The Bill contains a lengthy and complicated definition of discoverability, which is taken from the law on damages for personal injury. I suggest that it is not helpful or relevant in respect of construction works.

Mr. Greg Knight (Derby, North): I am listening with interest to what my hon. Friend is saying. What does he find uncertain about the long stop provisions? Surely an architect knows that after 15 years any action is statute barred.

Mr. Chapman: I shall try to explain exactly what I mean. There seems to be no statutory definition in the Bill of breach of duty. I suggest that it is not as certain as lawyers seem to think. My hon. Friend will want evidence of that—not merely an assertion. Surely it is borne out by the series of judicial decisions handed down from and since the Anns *v.* London Borough of Merton case in 1977, which have instigated the need for the Bill. I do not believe that the Bill cures the problems contained in that series of judicial decisions.

I shall give an example. I ask my hon. and learned Friend to comment on it when he replies to the debate. I suggest that if there is deliberate concealment, another law seems to operate. The Bill excludes the provisions of sections 14*(a)* and 14*(b)* of the Limitation Act 1980 where there has been deliberate concealment of any fact relative to the plaintiff's right of action. On the face of it that seems to be reasonable, but it is not reasonable when one realises that the phrase "deliberate concealment" is defined in section 32(2) of the 1980 Act thus: "deliberate concealment—"

"of a breach of duty in circumstances in which it is unlikely to be discovered for some time amounts to deliberate concealment of the facts involved in that breach of duty."

With the greatest respect, in the context of construction works, with which the Bill is principally concerned, the majority of defect cases will fall into that category. That means that the criterion by which such cases will be decided will be that of discoverability, with all the uncertainty that that involves.

I want to persuade the House that I am not trying to make a special plea on behalf of my erstwhile profession, because I believe that it is just as much in the interests of prospective plaintiffs — the owners of buildings — that the law should be stated unequivocally, even if it involves rough justice on both sides. The one thing that an aggrieved plaintiff wants is a quick remedy at law, with compensation. I suggest that delay or legal arguments — which will be as great under the Bill's provisions as under present law — will not help plaintiffs in getting defects remedied quickly.

I should like to say also, because it is germane to the problem, that if the defendant — say, a builder — is not in business at the time the case comes up and the architect or civil engineer cannot afford the professional indemnity premium, the plaintiff does not receive damages. I stand to be corrected if I am wrong on that point. I understand that in recent years architects' premiums have soared. In many firms — I do not think that this is an exaggeration — those premiums exceed more than 10 per cent. of the gross fee income of the practice. That is the case, even for a firm which does not have a bad record or has had no claims laid against it. Hon. Members on both sides of the House will realise that, unlike in the motor insurance business, there is no such thing as a no-claims bonus being operable.

The Solicitor-General: I wonder whether it would help my hon. Friend if I dealt immediately with his point about concealment. He quoted section 32 of the 1980 Act, which is the relevant legislation, and argued that in the majority of cases the criterion will be discoverability. He said—I paraphrase his comments — that most of the matters complained of were unlikely to be discovered for a considerable time. The answer is that the key word in section 32(2) of the 1980 Act is "deliberate". The section states:

"For the purposes of subsection (1) above, deliberate commission of a breach of duty in circumstances in which it is unlikely to be discovered for some time amounts to deliberate concealment".

Most of these cases amount to a breach of duty which is not deliberate. Where there is a deliberate commission of a breach of duty, it is justifiable that that should be categorised as deliberate concealment. I think my hon. Friend will find that that is not quite his point.

Mr. Chapman: I am immensely grateful to my hon. and learned Friend. I hope that he has reassured many people working in this field, at least on that matter. I have read the Lord Chancellor's Law Reform Committee report deeply and carefully. I realise that in paragraph 4.20 a number of points are advanced in relation to this matter. Equally, I know that my hon. and learned Friend will understand that I have been advised that the law would stand in the way that I have described. Perhaps that matter will be considered in more detail in Committee.

I apologise for keeping the House, but I should like to make a few more comments. A number of hon. Members have mentioned that an architect—or a civil engineer or any other design consultant—will face the prospect of

paying high premiums after retirement. Unlike other forms of insurance, one does not in this case insure the product for all time. The design consultant — whether he is the architect or the civil engineer or anyone else — can insure himself or his company only for a particular year. If a company has to pay more than 10 per cent. of its gross fee income, the penalty and financial obligation imposed on a person who has retired will be severe.

As I understand the operation of the law and judicial decisions, if a builder who is liable to have a claim made against him ceases business, that liability can and may be passed on to the architect. Therefore, the architect or perhaps the other design consultant seems to be liable, in the event of a builder going out of business, for the total liability and not just his possible part of it. I have to say, at the risk of meeting the opprobrium of the legal Members of this august Chamber, that statistics show that compensation finally paid to injured parties is substantially less than the income derived by the legal profesison in dealing with a claim under these forms of latent damage.

The law must be a fair compromise in such cases. I accept that absolutely, and it is in the interest of owners that it should be fair and reasonable to defendants. The British Property Federation, which of course cannot claim to speak on behalf of all owners of buildings, but can claim to speak on a substantial sector of ownership in the building industry, recognises that and states unequivocally that, above all, the law must be certain. Before 1977 and Anns *v.* London Borough of Merton, the accepted convention was a six-year liability from the completion of the job in contract or tort; unless the contract was under seal, when the liability under contract was for 12 years. Apart from the discrepancy between the 12 years and 15 years, which would leave matters undecided in at least certain contracts, I appreciate the endeavours of the Lord Chancellor's Law Reform Committee and the logic and propriety of the Government in presenting the Bill. However, I respectfully suggest to my hon. and learned Friend the Solicitor-General that the Bill should be amended in Committee.

I should like my hon. and learned Friend to confirm that, although he was right to point out the nuances and differences of the disparate parts of the construction industry — they could not initially agree on exactly how the law should be changed — there is now a consensus not only in the construction industry but it is shared by the British Property Federation. That view is that the most practical and fair solution to this difficult problem should be a long-stop, which is 15 years from the breach of duty, as provided in the Bill, or 12 years from the completion of the work. My hon. and learned Friend might say that the sting is in the tail because they recommend that it should either be the long-stop of 15 years or 12 years from the completion of the work, whichever expires first.

Many of us could argue that the long-stop should be reduced to 10 years, which, incidentally, is the proposal in the EEC document on product liability, or, for example — obviously I choose examples that are beneficial to the point I am trying to assert to the House — that the position should be 10 years as it is in France. The liability period, incidentally, is five years in Denmark. I believe that the consensus of the contruction industry and the British Property Federation should be the one that the Government earnestly and sympathetically consider. I believe that it will cause fewer anomalies if that holds true, rather than the Government's proposals, and it is for that reason that I commend that proposal to the House.

11.40 pm

Mr. Simon Hughes (Southwark and Bermondsey): I am grateful for the opportunity to substitute for my hon. and learned Friend the Member for Montgomery (Mr. Carlile), who would normally be in his place to speak on behalf of my party on measures of this sort. I am pleased to act as his junior. We share the view of the Solicitor-General and the right hon. and learned Member for Aberavon (Mr. Morris), who spoke from the Opposition Front Bench, that the Bill is one to be welcomed. We welcome the principle and, in substantial measure, the details of the Bill.

I shall start where the hon. Member for Chipping Barnet (Mr. Chapman) finished. The hon. Gentleman suggested that in seeking to achieve the fair compromise, which should be the right test, we should look to the British Property Federation. That suggests immediately a degree of unfairness in definition. As the Solicitor-General rightly said, we are seeking to find a compromise between two groups, the consumer, who will normally be the plaintiff, and the industry, which will normally be the defendant. I understand many of the arguments that the hon. Member for Chipping Barnet advanced, but it is inevitable that the British Property Federation, as any group representing a part of the whole of the industry, would be likely to see matters primarily through its own eyes.

Mr. Chapman: I was saying that the British Property Federation is the consumer in this instance. It cannot claim to represent all consumers, that is all the owners, but some of its members are developers and owners who commission builders to erect buildings.

Mr. Hughes: That I understand. The greatest inequity, inevitably, as the Solicitor-General said, lies as between the person who is in most instances a one-off plaintiff — someone who finds only once in his life that there is a defect in the building, whether he is a house owner, a property owner or a possessor of another property — and those who work in property for a living. In most instances the construction industry will be involved. Only a minority will involve professional negligence. In cases of commercial activity, occupation, profession and income, there are normally more available remedies in the form of insurance, to which the Solicitor-General has referred, than for the person who, only once in a lifetime, finds himself needing to challenge something with which the Bill concerns itself.

The attempt to find a balance is something that is prima facie best done by a body such as the Law Reform Committee. I join those who have already paid tribute to the committee. It is always good to see proposals made by such committees coming before the House. By their very nature they are impartial assessments that have been made on the basis of practicality by those with experience of dealing with practicalities. Those who comprise the Law Reform Committee and seek to propose reforms act through the eyes of those who have seen how the law works and not on behalf of the consumer alone or of the industry alone.

It is clear that the law was not working. There were occasions when people were impeded in taking rightful

[Mr. Hughes]

action because they discovered that something had been done negligently at too late a stage, through no fault of their own. The Bill properly addresses all the issues that are relevant within the areas of tort and negligence. That was the diet on which I was brought up in my earlier existence as a lawyer outside the House before I became a Member of this place. Cases such as Anns v. London Borough of Merton were important tests in which it was established, or thought to be established, that someone could take a party to court – in the case to which I have referred, a local authority – and succeed where that party, or someone down the line from him, had been negligent in his professional duty. The same test applies whether one is talking about the building industry, which was one of the areas in which I used to work as a member of the Bar, or in terms of professional negligence. The same test applies because one is seeking to find a method of protecting people who may not be able to discover that what they were given by way of advice, or what they secured by way of agreement, was negligent until much later. Clause 1 allows for certainty, which is something that I have heard called for by Conservative Members. It states – the deadline is not too long – that actions will not be allowed more than six years after the date "on which the cause of action accrued".

It will be six years in some instances and three years in others. Those are certain and not very long periods. They will arise only when the facts relevant to the action were not known when the action accrued.

I must make the point to the Solicitor-General about the date and the definition of the course of action. He will appreciate that there is still some anxiety about that definition. Lawyers may be able to understand that definition easily, but it does not give certainty because, as the Solicitor-General will probably understand better than any other hon. Member, one of the purposes of the Bill is to achieve certainty throughout these matters. Although there may be long periods during a construction project when the period is sufficiently long to make another definition difficult, if we accept the suggestion that I made about the date set for completion there may be a possibility of dealing with that definition because there are often staged completion certificates in the larger building contracts. I hope that that question can be dealt with in Committee, to achieve certainty of definition as well as certainty of period, which I believe that the Bill has achieved.

The new section 14B causes some concern, as the hon. Member for Chipping Barnet made clear in his speech. It suggests a 15-year period overriding period. We properly have a duty to allay the fear of the lay community, which was expressed in the intervention of the hon. Member for Mid-Worcestershire (Mr. Forth). We are required to say that that is an absolute long-stop. It is important for people to know that if the period of 15 years passes, that is the limit and people may then sleep safely and soundly in their beds in the knowledge that they cannot be defendants after that period.

It is important that there should be a long-stop. If we are to consider guidance as to whether that long-stop should be 12, 15 or 20 years, we could probably best consider the advice of the committee that produced the proposals for the Bill. It is difficult and we are plucking a figure out of the air. There is no perfect figure. We are trying to deal with the realities of experience. The Solicitor-General will know, and I recall from practical experience not just at the Bar, that there are often long delays before problems come to light.

Soon after I was elected, substantial defects were found on the Bonamy estate in my constituency. It was then too late for action to be taken through the courts against the architects, builders and developers by the local authority. That defect in procedure has cost the local authority a substantial sum of money. I pass no judgment as to whether the local authority should have discovered the problems before, but a period substantially less than the 15 years suggested in the Bill would not have been sufficient for the authority to act. Often if there are defects, especially in the foundations, it takes a long time for the evidence to come to light and for any one to be properly advised to take action. I urge the House to resist the suggestion to alter the period for a long-stop below 15 years before we have considered that and taken the independent, non-client-based advice of the Law Reform Committee.

When we consider the dates, we must also consider the practices in other countries. We should also consider the interlocking practicalities for the profession. One of these practicalities involves insurance and we have a duty to examine ways in which insurance can be provided properly. We should follow the Solicitor-General's suggestion that we should consult on the report that he mentioned and reach a conclusion.

It might also be useful to compare the growing practice of guarantees being given with buildings. I believe that I am correct to say the National House Building Council now has a 10-year guarantee period. If that is right, and the Bill goes through with a 15 year long-stop, the two ought to be married.

If someone deliberately conceals something, but not with the intention that it should be concealed for ever, that is sufficient mischief to come within the definition of deliberate concealment. We all know how things may be done when builders try to get around planning legislation. The mischief will come to light eventually. We must try to prevent that.

It is worrying that someone who retires at, for example, 60, should have to carry a liability into retirement, or have his estate or family carry one. The appropriate way around that is insurance. No doubt the right hon. and learned Member for Aberavon took out insurance in his chambers. That is now the norm for people who might be the recipients of a writ or legal action. There are mechanisms in trades and professions for picking up people who do not take out insurance. We should look to insurance to protect people who are not at fault, such as spouses. It should not be a sufficient argument against the principle that some people will not be in practice and therefore not earning enough to pay.

I hope that the Committee will examine the Bill carefully. I also hope that its principle, which comes from the independent proposal of the Law Reform Committee, will be accepted. That being so, we shall have achieved a fair compromise. I hope that the Government will give the proposal a trial period before giving in to any side's demands to compromise on a well-researched and sound proposal.

11.53 pm

Mr. David Crouch (Canterbury): This will be rather more of a question for my hon. and learned Friend the Solicitor-General than a speech.

I have studied closely all the reports of the proceedings of the other place in the Bill. I was enormously impressed by the wisdom and depth of the investigation made by so many Members of another place and by the extremely helpful and thoughtful investigation carried out by the Law Reform Committee under the chairmanship of Lord Scarman.

My question concerns what comes outside the Bill. Paragraph 1.6 of the Law Reform Committee's report refers to,

"matters outside our terms of reference".

In studying the reports of debates in another place, I noticed that their Lordships concentrated on the problems arising in the construction industry, and especially in domestic houses. I am anxious about the problems of latent damage in the construction of industrial plants, and I am talking of buildings costing £10 million, £20 million, £50 million, £100 million or even more.

The British Chemical Engineering Contractors Association, which gave evidence to Lord Scarman's committee, is a group of about nine vast contractors, which build chemical plants in Britain and elsewhere. Those plants are extremely expensive. The contracts already contain many provisos concerning responsibility. How far does the Bill go in defining the liabilities of the constructors and operators of such plants?

The Solicitor-General: Just as much.

Mr. Crouch: That worries me, because it is an enormous responsibility. It is rather worrying for the industry that that should be so.

Their Lordships said much about the large-scale construction of dwelling houses, but nothing about the construction of steel or chemical plants. The contracts drawn up in those cases contain a clear division of responsibilities between contractors and operators of plants. A plant can go wrong because of maladministration by its management. That has been shown in famous cases, for example, in the nuclear industry. I do not mean Chernobyl, for we do not know what went wrong there; but we know what went wrong at Three Mile Island. Not only the construction but the management of the plant was faulty. Where did the responsibility lie? How will this important Bill affect liability in this contentious area?

I do not wish to delay the House further, but this is an important point, and I hope that my hon. and learned Friend can give a clear assurance, if not now, in Committee, so that anxieties in the construction and operating sectors of the chemical industry can be allayed.

11.58 pm

Mr. Neil Thorne (Ilford, South): I declare an interest in this matter as a chartered surveyor and as a member of Lloyd's.

The right hon. and learned Member for Aberavon (Mr. Morris) asked Conservative Members to declare their interests in the plaintiff, and I wish to identify with the plaintiff in such matters. However, I am against greedy lawyers. We should not create another field day for them in this area. My hon. Friend the Member for Chipping Barnet (Mr. Chapman) was right to say that lawyers have done well out of such claims. I was glad to hear that the right hon. and learned Gentleman's branch of the legal profession has joined the rest of us by becoming liable for negligence in their sphere of activity.

The public must be properly protected. Nobody would disagree with the Government's aims in doing that. But it is also important that, in achieving that objective, they should not make it more difficult for the public to obtain professional advice at a resonable price. If, as the hon. Member for Southwark and Bermondsey (Mr. Hughes) mentioned, professional people are priced out of the market, they may try to recover their additional insurance premiums from their clients, which will add considerably to the cost, and also lead to fewer people being available to give advice.

I understand that in the United States, in some fields of medicine, doctors are having to withdraw their services completely because of the claims that are being made against them through the courts. That is a worrying situation and I hope that we shall not reach that stage in Britain.

Mr. Keith Best (Ynys Môn): I am most grateful to my hon. and gallant Friend for giving way. Although the old maxim used to be justitia magnum emolumentum est, I would make one plea on behalf of the lawyers. When my hon. Friend compares the position in the United States and here, I am sure that he is aware of the contingency fee basis in the United States and the fact that damages are determined by juries. As a member of Lloyd's — I declare my own interest — he will know only too well that that is the principal cause for alarm about damages awarded in the United States, not the system that we have here.

Mr. Thorne: I fully accept what my hon. Friend says. I would hate British law to get into that position. Nevertheless, my hon. Friend the Member for Chipping Barnet mentioned that already half the damages seem to go to lawyers in Britain, so goodness knows what must go to those in the United States. We certainly want to avoid that.

If a building is constructed by a contractor who acts negligently and 25 years later a defect is found, as I understand it there would then be three years in which the occupier or owner could make a claim. If the contractor had by that time gone out of business, presumably the person against whom action would be taken would be the designer or the architect or some other engineer. That would mean that there would be a claim perhaps 28 years after a building had been constructed. If that is the case, that could be well after the designer's death. Would his widow then be expected to sell her possessions, including her house, in order to satisfy some claim which had originated through some defective work by a contractor 28 years before? I should be grateful if my hon. and learned Friend the Solicitor-General could reassure me on that when he replies. If that is what we are suggesting, we should think long and hard before we put that into effect.

I should also be grateful if my hon. and learned Friend could advise the House whether in view of the liability which I believe has recently come to rest on the shoulders of some local authorities — they have been found to be involved in negligence claims if it was thought that their building inspectors were not carrying out their work properly — they would also be similarly involved and have some commitment.

[Mr. Thorne]

The point that has been made about the enormous cost to a retired person is important. Certainly, if 10 per cent. of the gross fees have to be laid out in insurance payments, and if that is to be continued for at least 15 years after retirement, I would also like an assurance that the architect or designer could get tax relief, if nothing else, upon that payment. I had heard that that was a source of great concern to professional people: that they could not offset their insurance payments for that reason.

In Committee I hope that it will be possible to consider the question whether or not, after 15 years, it would not seem more reasonable to place the matter on the shoulders of the insuring company of the builders. After such a period, it would be right and proper to expect insurance to be covered by building insurance, particularly in view of the complexity which is likely to arise and the hardship which could be caused, especially to individuals not practising under limited liability.

The right hon. and learned Member for Aberavon said that the professions should be moving towards limited liability. That has started in one or two professions and I am sure that the move will be extended in the coming years. It could smack of a desire to exonerate oneself from the liability that has traditionally rested on the shoulders of professional people. I would not wish the Government's action in this measure to force professional people in that direction. That would be a great mistake. I await my hon. and learned Friend's reply with interest.

12.6 am

Mr. Greg Knight (Derby, North): The right hon. and learned Member for Aberavon (Mr. Morris) was a little unkind when he implied that Conservative Members were concerned only about the interests of potential defendants. We are interested in ensuring that as far as possible justice is done.

During the debate it has become clear that the present law causes injustice both to potential defendants and to plaintiffs and that action is need to rectify the problem. Such action involves a balancing act between three points. First, the plaintiffs must have a fair opportunity to pursue their remedy. Secondly, the defendants are entitled to be protected against stale claims. Thirdly, as far as possible uncertainty in the law is to be avoided. By and large the Bill achieves that balance, so I support it.

However, I wish to express my disappointment that the Bill does nothing about the matter raised by Lord Hacking in another place in respect of the accrual point for the periods of limitation. One difficulty that exists for lawyers and potential litigants alike is that different actions have a different starting point for the limitation period. In other words, the clock starts to run at different points for different actions, even on the same set of facts.

I shall not enlarge upon all the differences because I sense that the House wishes to make progress. However, I refer my hon. and learned Friend to the comments of the Law Reform Committee. Paragraph 44 on page 16 states:

"In cases involving negligence, a plaintiff's cause of action might accrue at different dates depending upon whether the negligence was in the performance of a contractual duty, or a statutory duty or a duty of care at common law and this can lead to complications. Indeed a single set of facts could in theory give rise to claims for breach of duty under all three heads, with three limitation periods. This situation was criticised by a number of those who wrote to us. Our terms of reference on the other hand are limited to the relatively narrow band of 'negligence cases involving latent defects' and we consider that it would be quite inappropriate for us to make general recommendations, applicable for instance in the contract field, in the context of the present review."

That is a slight disappointment to me and I hope that, perhaps in Committee, some consideration can be given to rectifying this problem. Having said that, I welcome the measure and especially clause 3 which rectifies a long-standing problem and will enable successors in title of the original victim to inherit the cause of action. This rightly continues to be actionable only within the original limitation period and is still subject to the longstop provisions. Having expressed the minor disappointment that the Bill does not go further, I welcome the measure.

12.11 am

Mr. Roger Moate (Faversham): I do not know if there can be such a thing as a lawyer's paradise, because that may be a contradiction in terms, but a lawyer's paradise is an apt description of the Bill. As the House might know, there was an earlier Parliament from which lawyers were banned. The legal profession rather rudely called it the unlearned Parliament and, I think, the fool's Parliament. The layman is a fool if he trespasses on such legalistic ground as this Bill. I prefer the term drunken Parliament. That referred to a Parliament which met for only about eight days and passed hardly any legislation. It met in Glasgow and perhaps that explains the title.

Despite the fact that laymen might look at the Bill with some trepidation, there is no doubt that it could have a widespread effect on consumers and producers alike and, indeed, upon the whole community. The effects of the legislation may be quite different from those envisaged by my hon. and learned Friend the Solicitor-General and the other Law Officers. This type of legislation has a widespread effect and will have some unexpected results over many years in commerce and in the construction industry and upon the way consumers will act. For that reason, I regret that we are debating the Bill at a rather extraordinary hour, a point with which my hon. and learned Friend the Solicitor-General might well sympathise. The speeches by hon. Members show the interest in this legislation.

I recognise the need to remove by statute uncertainties in the existing law. As many of us know, over the years some court cases have taken the law in one direction while others have taken it in the opposite direction. It must be difficult for practitioners in businesses associated with matters of this kind to know with any certainty what the law will be in the future and it must be right in principle to have clarification of the law and to improve it.

The present law can be grossly unfair to a claimant who might well find himself beyond the limitation period before he is even aware that he has an actionable claim. In that respect the law ought to be amended. The right hon. and learned Member for Aberavon (Mr. Morris) was a little unfair to Government Members when he said that we were simply supporting the case of the producer. That is certainly not correct. There is a recognition that the law needs to be remedied.

Mr. John Morris: I was not being unfair. I was merely passing judgment, perhaps with a measure of partisanship, on the interventions that had occurred up to that time.

Mr. Moate: The right hon. and learned Gentleman should have refrained from passing judgment until he had

heard the wise speeches from other hon. Members. The interests of the consumer and the producer are not as far apart as perhaps he suggests. Under these proposals, many years after fulfilling a contract or supplying a product a defendant might be the subject of a claim of which he has little or no knowledge, and about which he may have inadequate records. It is also probable that he will not have any insurance protection. Although I welcome certain principles in the Bill, I have to express serious doubts about whether the Government have got it right.

In essence, I can see the case for allowing the plaintiff the extension of the ordinary period of limitation of six years, with that additional three years from the date when he discovers, or could reasonably have discovered, that he has sustained a loss. I have not read or heard any disagreement with that proposition.

That extension in itself is dramatic. It imposes an immense burden on the producers of goods such as builders, manufacturers and any providers of any service, or upon the insurers. That is where I declare my interest. Even if it were just six years as at present, an additional three years, would be a major extension. For that reason, I argue strongly that the 15-year longstop is far too long. I dispute the contention of my hon. and learned Friend the Solicitor-General that, somehow, 15 years represents a proper balance between the producers and the consumers.

By extending the limitation period by the three years I accept that that is an over-simplification we are already substantially tilting the balance against the producer. By then putting in a longstop, we are going too far. That is not a balance, but simply a little less unbalanced. For my hon. and learned Friend to say that some suggested 10 years and some 20 years, and that the Government stuck at 15 is simply plucking figures out of the air. This is a matter of judgment, but to go from what was in the past understood to be a limitation of six years to 15 years will strain at the bounds of commercial reality.

I also question whether we are doing the consumer a favour. Obviously we shall be doing some individuals a favour, because some will be able to make claims that would otherwise be time-barred. However, are we doing the consumer in general a favour? Are we benefiting the community? I doubt it. I can illustrate this point through the insurance profession, with which I have some connection. The problems of insurance are not just of some minor inconvenience or expense, or even of considerable expense to consumers. They have a profound affect on consumers, prices and employment. It is possible, by over-protecting the consumers, that we shall damage not only the community but those consumers.

Hon. Members have already referred to the malpractice suits in the United States, which are literally putting some doctors and dentists out of practice. More relevant to this country is that many British manufacturers cannot export their products to the United States because of the difficulty of getting liability insurance. It we encourage that trend here in the United Kingdom, which I suspect we are doing by opening the doors that bit wider, we are making it harder for manufacturers to manufacture, and builders to build.

Mr. Peter Thurnham (Bolton, North-East): As I understand it, it would be relatively simple for the purchaser of a 10-year-old house to take out an insurance policy against there being some defect in it, whereas the burden to the contracting industry of provisions to cover a 15-year period could add more to the cost of the house than taking out a simple insurance policy. Can my hon. Friend advise me on the initiative taken by the National Economic Development Office concerning such insurance? I have heard of this initiative, but not of any results.

Mr. Moate: I welcome the point made by my hon. Friend. If one is seeking to protect the home owner I accept the genuineness of the points made by Labour Members one does not necessarily do it in what I would call a rather naive way by simply extending the period of limitation to allow individuals, in theory, to be able to pursue a house builder, estate agent or solicitor who might, decades after the building of the house, no longer be around. Alternatively, if he is, it might be extremely difficult for the home owner to take action successfully.

Frankly, it sounds good but it is naive. If one is really trying to protect the home owner, one should not do it by widening the law in this way. Instead, one should look for specific remedies of the sort that have been referred to. I suspect that there is much better protection for the home owner through schemes such as the NHBRC and specific insurance than by this fairly unsatisfactory opening of the floodgates of the law.

Mr. Best: Is not the inevitable conclusion of my hon. Friend's remarks that there should be compulsory insurance? If so, in fairness he should state it. That must follow from his remarks unless there is to be some protection for a potential plaintiff. My hon. Friend should look more carefully, not at the 15-year longstop but at the fact that there is a three-year stop for a plaintiff once he knew, or ought reasonably to have known, of the defect.

Mr. Moate: I am certainly not arguing the case for compulsory insurance. I am saying that it is unrealistic to pretend that one is protecting home owners simply by extending the period of limitation. That is not a real argument in favour of the Bill. I am not sure whether I follow my hon. Friend's point. In effect there will be an opportunity for an individual to claim after six years, as at present, but if he does not discover the loss he has sustained until the fifth or sixth year, he then has three years from that date up to a maximum of 15 years. I am simply saying that a shorter period than 15 years is realistic.

Let me emphasise further just how much insurance difficulties can impinge upon the value and quality of the goods and services enjoyed by the consumer. Today, many substantial practices seriously question their ability to survive in business, faced as they are with the enormously high insurance premiums that are now being quoted. None of us can really foresee the future, but if awards become substantially greater—that seems to be the trend in the Western world—premiums get higher, and the insurance market contracts, many substantial companies or partnerships will not be able to get insurance. We can already see the effect of that on commercial activities in the United States, even on British companies acting in the United States, and we do not want to see it happen here.

That relates only to the large practitioners, and hon. Members—particularly the hon. Member for Southwark and Bermondsey (Mr. Hughes)—have glibly dealt with the question of insurance. A large number of people are single practitioners, and there is virtually no way in which

[Mr. Moate]

they will carry on insurance for 15 years after they have retired, be they estate agents, architects, solicitors or surveyors. In reality they will not do it nor, I suspect, will most barristers maintain a 15-year run-off insurance after they have ceased practice.

Mr. Simon Hughes: There is a very practical answer to that. During the time of professional work one should insure against claims in the period of 15 years after one ceases to work, and the payment can be made during one's professional life.

Mr. Moate: The hon. Gentleman misunderstands the nature of the business at the present time. Because of the examples that exist around the world, most insurers are trying to retreat from that long-tail type of business and to curtail their exposure during that period of time. Increasingly, great difficulties will arise.

I am not saying that there should not be a long period during which claimants can claim. We have already accepted that. But I am saying that 15 years is too long, and we have a better example that we should be considering. I do not often quote with favour examples from the European Economic Community but when I do it obviously proves a good point. The EEC directive on product liability sets out a ten-year limitation. I ask my hon. Friend seriously to consider that ten years is six, plus three, plus a little more. That is as good as any period, and better than most suggested. It is a considerable extension of the present law and gives a certainty that will be helpful to all involved. I urge the House not to gloss over the difficulties which the longer period would entail for many in industry. I do not think that the longer period would confer on the user the benefits in which my hon. Friend believes.

In principle I welcome the Bill. I hope that the House will treat it seriously and consider the many representations that it is likely to receive.

12.25 am

Mr. Andrew Hunter (Basingstoke): The debate generated by this five-and-a-half page Bill is relatively confined. The salient points have already been made many times. Had I caught your eye earlier, Mr. Deputy Speaker, I should have tried to make many of the points covered so eloquently by my hon. Friend the Member for Chipping Barnet (Mr. Chapman). I endorse, applaud and support all his arguments.

The debate has concentrated on two simple factors. The right hon. and learned Member for Aberavon (Mr. Morris) said that we should remove uncertainty from the law. Of course we must. The question is whether the Bill will do that. When considering the time factor I support my hon. Friend the Member for Faversham (Mr. Moate). We should examine carefully the 10-year precedent established by the Common Market.

We have concentrated upon clauses 1 and 2. I want to discuss clause 3. Clause 3, according to the explanatory memorandum,

"enables a person acquiring real or personal property to bring an action for negligence where the property concerned is in fact (but unknown to him) already damaged when he acquires it."

This might seem technical, but I wonder whether the clause will prove to be something of a minefield, intentionally or unintentionally. It enables those owners of houses in the categories listed in the Housing Defects Act built privately, and therefore not covered, to seek redress. The negligence referred to in clause 3 may not extend to defective housing as defined by the Housing Defects Act. That might be significant.

The Committee on the Bill will have a lot of work to do. It is a worthwhile Bill, but fundamental questions will have to be explored.

12.29 am

Mr. Peter Thurnham (Bolton, North-East): I hesitate to speak about such a legal matter, but I must declare an interest in that I am not a member of Lloyd's, I am not a lawyer, but in my limited spare time I am an engineer and I pay lawyers' fees. My hon. and learned Friends describe the Bill as a compromise and the right hon. and learned Member for Aberavon (Mr. Morris) said that he wanted to tip the balance towards the plaintiffs. I wonder whether it is in the interests of either potential defendants or plaintiffs if the balance is tipped towards lawyers.

As someone who has to run a business and decide what has to be done, I am anxious about the number of records that might have to be kept and stowed away for an excessive time from a starting point which is not at all clear.

I should declare a fuller interest in that I am a Fellow of the Institute of Mechanical Engineers, a member of the Electrical Contractors Association for many years and a recent adviser. My own business, which I founded in 1972, now employs 500 people in specialist engineering contracting. My company has had a long involvement with the committee dealing with specialist engineering contract law.

I was intrigued last week to find that my daughter, whom I am supporting while she studies law at King's college, had my company's case come up in her first-year examinations because an injustice that I had suffered had been put right by a change in the law. I was pleased to hear that. It cost £7,000 in legal fees to pursue a £1,500 contract without success in the Court of Appeal. I was told that I should go to a higher court, but I decided that I had had enough of the law.

We all agree that the present law is unjust — it is unfair to plaintiffs and defendants. The principles of the new law are much to be welcomed, and three years from discovery is obviously to the benefit of plaintiffs. I raise the practical question whether 15 years is not too excessive a period, because the breach of duty is a rather difficult period to determine for a practising contractor. Exactly what date should he put on his documents? I feel that 15 years is excessive, especially as the EEC is talking about 10 years.

I wonder whether the Solicitor-General can enlighten me as to who the members of the Law Reform Committee are. I suspect that they are all lawyers, but perhaps I am wrong. As lawyers, they say that 12 years might bar some worthy claims but would probably work satisfactorily in most cases. They say that a 15-year period probably strikes the right balance. They are seeking to strike a balance of legal niceties and are losing account of the practical realities of people who have to run businesses and decide how to deal with claims that go back such a long time.

I agree with many of the points made by my hon. Friend the Member for Faversham (Mr. Moate), who might be interested to know that I rang the British Insurers

Association today to discuss its view on this matter. It said that it welcomes the introduction of a long-stop, but thought that 10 years would be more practicable. If the insurers who will have to help contractors say that 10 years would be practicable, I question why the Government feel that they should go so far beyond 10 years in seeking to strike some nebulous balance in favour of the plaintiffs, who, one hon. Member said, were not organised and needed to be borne in mind. If we burden consumers with excessive costs to strike some nicety of legal balance, we will not do the people of this country a favour.

At a time when the Government say that they are cutting red tape, I earnestly ask them to reconsider whether a period as long as 15 years is in the interests of business, especially as we are seeking to find jobs for 3 million unemployed. Will it get more people back into the job market to impose a 15-year period when a lesser period has been advocated by so many who have spoken this evening, and when consumers can gain protection by taking out an insurance policy at, I suspect, a much lower cost?

Mr. Greg Knight: I know that the House wishes to make progress, and I hesitate to rise. Is my hon. Friend really suggesting that the House should encourage jerry-builders?

Mr. Thurnham: I think that my hon. Friend would agree that if a building has stayed up for 10 years it would not be too difficult for the owner or purchaser of that building to take out an insurance policy to indemnify himself against any defects that might arise. If no defects have occurred in the first 10 years, I cannot believe that it would be difficult for him to take out insurance to cover himself. To suggest that someone is not a jerry-builder if there is nothing wrong in 15 years, but is a jerry-builder if something goes wrong in 10 years is a rather silly distinction, if I may say so, without being disrespectful.

On the one hand, we are arguing about political judgments as to whether the period should be 10 or 15 years and, on the other, we are asking architects and others to keep massive records and access to those records for 50 per cent. longer. For what purpose should we burden the industry with those costs? It is for no purpose other than to satisfy a few lawyers that they were doing the right thing from a legal point of view, and perhaps some political judgments which were arrived at too quickly and without proper attention to the costs that would be incurred.

12.36 am

The Solicitor-General: I express my gratitude for the welcome that has been given by the right hon. and learned Member for Aberavon (Mr. Morris) to the Bill. I thank hon. Members for their kind remarks regarding the work of the Committee.

I think that the House has moved some distance from an understanding of the concept of negligence. We are talking about provisions to deal with the limitation of actions arising from negligence — negligence by those responsible for turning out a product containing a latent defect. Negligence means failure to take reasonable care in all the circumstances. For the consumer, who is the victim of negligence in those circumstances, that means not getting what he has paid for, not being able to recognise that at the time, and having to carry the can unless he can have a remedy in the courts.

Most hon. Members' constituents would wish to have a remedy in the courts in those circumstances. The law, as it stands, gives them a remedy, and it is a remedy without time, to the extent that they may bring an action provided they are within the statutory period of limitation starting from the date when the damage occurred. If a builder uses concrete which turns into Stilton cheese after 20 years, it is only from 20 years that the statutory limitation period starts to run. The law at present makes a builder liable — this is the answer to the question by my hon. Friend the Member for Ilford, South (Mr. Thorne) — and vulnerable to an action for damages provided it is brought within six years from that date — 20 years after he built the house which turns into Stilton cheese.

What the Bill does in the interests of the defendants — the builders — in those circumstances is to say, "In no circumstances may an action be brought 15 years after the date of your breach of duty, your negligence, your failure to take reasonable care." Those who have inveighed against the hardship occurring to defendants — if the Bill is enacted — have not fully understood that point, I feel. Perhaps we shall have an opportunity in Committee to demonstrate a little more clearly how that is actually a benefit to defendants in such circumstances.

The right hon. and learned Gentleman raised the issue of limited liability. I think that I should limit my own liability by informing him that I have noted his suggestions carefully and will bring them to the attention of my right hon. Friends, without any commitment whatsoever.

For many months and indeed years my hon. Friend the Member for Chipping Barnet (Mr. Chapman) has displayed great interest and knowledge in these issues. I am grateful for his welcome of the principle of the Bill. I was sorry that he found so much to criticise in it. When he said that it contained no statutory definition of breach of duty, he was seeing a tiger where no real difficulty exists. The concept of negligence is well understood. The definition of discoverability has occasioned no real difficulty. I dealt with my hon. Friend's anxieties at the time in connection with the concealment provision.

My hon. Friend the Member for Chipping Barnet apparently believes that the architect becomes liable if the builder who is a subcontractor goes out of business. I am able to reassure my hon. Friend and others who have raised that issue. It is not true to say that an architect will be responsible for the negligence of the builder where the latter becomes bankrupt. As a matter of general principle, a person who arranges for work to be done for him by an independent contractor is not liable for the negligence of the contractor in the course of carrying out the work, provided, of course, that he has taken reasonable care to choose someone who is suitable. But an architect who is held only partly to blame for a defective building cannot be held fully liable simply because another defendant has gone bust. Nor can an architect who would not otherwise be held liable be liable because someone has gone bust. That is also the answer to part of the question raised by my hon. Friend the Member for Ilford, South.

Mr. Chapman: Surely the point is that the role of an architect is not only to design the building but to a certain degree, to supervise and overlook its construction. If the plaintiff cannot sue—if that is the right legal word—the contractor, inevitably he sues the architect, as he is advised

[Mr. Chapman]

to do, to try to make out a case that the architect did not supervise the job properly, even though there was a liability on the builder to construct the building properly.

The Solicitor-General: If the architect were liable at all, he would be liable whether or not the builder was also liable.

I say yes to the suggestion of the hon. Member for Southwark and Bermondsey (Mr. Hughes) that there is no special magic about 15 years. However, it represents, in the views of the Government and the Law Reform Committee, a reasonable compromise between those who want 20 years, such as the Consumers Association and many others, and those who would like 12 years or fewer. I agree; let us see how it works.

My hon. Friend the Member for Canterbury (Mr. Crouch) asked whether the Bill's provisions will apply to chemical works. The answer is yes. But we are dealing with latent defects, not with questions of management and with someone who sets the wrong temperature at Chernobyl, or whatever. We are talking about latent defects in the construction of premises. The Bill is not limited to the construction of housing.

In the rather elaborate illustration posed by my hon. Friend the Member for Ilford, South, a person discovers 28 years after work has been completed that there is something wrong. There would be a complete bar to his bringing any action, because such an action cannot be brought any later than 15 years after the breach of duty. I shall certainly not at this stage embark on questions of tax relief for insurance premiums. I expect that my hon. Friend knows more about it than I do.

I appreciate the welcome given to the Bill by my hon. Friend the Member for Derby, North (Mr. Knight). One will have a reasonable chance of successful law reform if one limits one's objectives. It is not the point of the Bill to interfere with the law relating to accrual of a cause of action. My hon. Friend the Member for Faversham (Mr. Moate) thinks that that will have unsuspected results, although he recognises that the law is unfair to plaintiffs. I am grateful to him for his fair speech in that regard. I must say, with respect, that my hon. Friend confused questions of limitation with questions of liability. At present, the date of accrual is the date when the damage first occurred—15 years from the date of breach of duty is a restriction on the liability to which a building constructor may be subject.

Mr. Thurnham: Will my hon. and learned Friend give way?

The Solicitor-General: I should like to finish. Of course I shall give way if my hon. Friend insists, but we all want to proceed.

Those who say that this is bad for the consumer because insurance premiums will increase seem to be saying that it is easy for the consumer to take out an insurance policy to cover the risk. If it is easy for the consumer to do that, I do not see why it becomes impossible, in terms of price, for the contractor or architect to do so. All of these matters can be gone into in more detail in Committee. It will obviously be an interesting Committee.

This has been a Second Reading debate and I choose to get from this debate a general welcome for the effect of the Bill, which is to reduce the injustice of the present law and strike a fairer balance between the conflicting interests of the construction industry and those who buy its product. I commend the Bill to the House and I hope that it will get a Second Reading.

Question put and agreed to.

Bill read a Second time and committted to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

Crown Agents (Amendment) Bill

Not amended (in the Standing Committee) considered. Bill reported, without amendment.

Motion made, and Question proposed, That the Bill be now read the Third time.—*[Mr. Raison.]*

12.45 am

Mr. Stuart Holland (Vauxhall): The waiving of interest in international development is not something that we wish to oppose, provided the case is right, that it is merited in development terms and that it is subject to the scrutiny and approval of the House. The question is whether the House will have such scrutiny and powers of approval, since clause 1*(b)* deems that section 17(10) of the Crown Agencies Act 1979 shall cease to have effect. Perhaps the Minister could elaborate on the case for that. On what grounds is it unduly burdensome on the House that it should not have the power of section 17(10) of the original Act? After all, in the Second Reading Committee on 18 December the Minister said that he could not

"predict to what extent the power will need to be used."—[*Official Report, Second Reading Committee*, 18 December 1985; c. 4.]

On those grounds, why can the right hon. Gentleman be so sure that no order should be laid before the House and approved by resolution of the House?

We all know the background to the financial difficulties of the Crown Agents—the property speculation of the early 1970s, followed by a cleaning of the stables, only to be followed by the loss of the Brunei contract and the knock-on effect on development financing of other projects which that has entailed. Why is there to be no reference to the House in the future? It is not as if we still have a Select Committee on Development which could supplement the Floor of the House by giving such scrutiny as will be denied by the deletion of section 17(10).

In the Second Reading Committee the Minister failed in his winding-up speech to answer one of the three main points that I put to him on the question of finance. It is relevant to the question of waiving interest. My question was whether there would be any obligation on the Crown Agents to become a licensed deposit taker. We would be glad to know the Government's views on that matter.

I also raised with the Minister the question whether the 50:50 joint ventures with Lloyd's were a liability to the agents. At that time, 18 December, he said that they were not. Is he so satisfied today?

I congratulate the Minister on his decision to retain the pensions division of the Crown Agents within the Overseas Development Administration. We were pleased that he could see delegations on that matter before the decision, and glad that the decision was made. May we have an assurance from him tonight that the provision in the Bill for waiving interest is designed to serve the continuing work of the agents as a public body, rather than a backdoor to privatisation, through reducing costs and raising returns to the agents over and above what they would otherwise be? That is something on which we should have an answer now.

12.50 am

Mr. A. J. Beith (Berwick-upon-Tweed): I welcome the decision affecting the staff at the pensions division at East Kilbride, to which the hon. Member for Vauxhall (Mr. Holland) referred. This is an issue that has attracted much attention during the long period during which the Bill has been before the House. It has been before us since December 1985, and one would imagine that it has been the subject of the most intensive and lengthy Committee consideration. Those who have followed it closely will know, however, that its consideration has been brief and widely spaced.

As I understand the Government's intentions, the Bill is a holding operation. Its function is to enable the work of the Crown Agents to continue and some of their difficulties to be met in a period during which the Government intend to proceed to make the Crown Agents a privatised concern. This was hinted at by the hon. Member for Vauxhall, when he said that the Government might have changed their mind. As I understand it, it is still the Government's intention to proceed to privatisation. The Bill will simply hold the fort until then. The stage will be reached when its provisions are no longer relevant and the Crown Agents will become a privatised concern, thereby losing a status that is necessary for their relationship with Commonwealth Governments, many of whom are accustomed to working through Government agencies for much development work and who expect an organisation such as the Crown Agents to have Government status.

Confidence in the Crown Agents has inevitably been shaken by the experiences of recent years. I am not satisfied that turning the body into a private corporation will assist the rebuilding of confidence and help to enable it to play as full a part as it can undertake in development work in which the Government are engaged and in the activities of other Commonwealth Governments.

On behalf of the alliance, I welcome the Bill as far as it goes. I welcome the opportunity that it gives the Secretary of State to continue to assist the Crown Agents to enable them to provide the useful function which was impaired for a number of years but which they can still undertake in the work of Commonwealth countries.

12.52 am

The Minister for Overseas Development (Mr. Timothy Raison): The Bill was given a Second Reading and considered in Committee without opposition, although there was a certain amount of discussion. I am happy that Third Reading has been reached. I have been asked one or two questions, to which I shall respond, but I do not think that the House wishes to be detained for very long at this hour.

It is our intention that the Crown Agents should continue to move towards privatisation. We hope to see the organisation strengthened and we believe that it is becoming a stronger body under the excellent leadership that it has received from the chairman and those who are responsible for its management. As I have said, I hope that this will lead to privatisation.

I am grateful for the support that has been given to the Government's decision on the pensions division, which has been widely accepted. I believe that the House was in sympathy with what was done.

I have been asked one or two specific questions. First, the hon. Member for Vauxhall (Mr. Holland) asked about licensed deposit taking. Sections 5 and 8 of the Crown Agents Act 1979 give the Crown Agents authority to accept deposits in respect of their agency activities. While they continue to operate under the Act, the authority will remain valid. When they are privatised and cease to be a

[Mr. Timothy Raison]

statutory body, financial arrangements will have to be made for the privatised company to conform with the requirements of the relevant Acts on the acceptance of deposits or pre-payments. The present situation does not require any further action.

Mr. Stuart Holland: The financial effect of the Bill will make it possible for interest of about £10 million due to the Exchequer to be waived. We know that the Crown Agents have been paying interest at rates that are less than the full market rate. If the Minister is really saying that the Government are proceeding to privatisation, will he give the House an assurance that any such £10 million, which amounts, in effect, to a public subsidy, will be paid back by those to whom the sale in privatisation is undertaken? It will be a public subsidy of the private sector otherwise.

Mr. Raison: I do not think that the House will expect me at this stage to anticipate the legislation that will bring about privatisation in due course. When that step is taken, a Bill will come before the House in the proper way and it will receive full discussion in the House.

Questions were asked about clause 1*(b)*. This provision deletes section 17(10) of the 1979 Act, which, as a consequence of the amendment to section 17(9), becomes superfluous. Section 17(10) requires that any order extending the original initial period from five years to seven years should be laid and approved by resolution of the House. As I have said, that now becomes superfluous.

I believe that the Bill is an important advance and that the Crown Agents are doing a good job. The Bill gives them a further chance to do that, and I commend it to the House.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Dogs (Control)

Motion made, and question proposed, That this House do now adjourn.—*[Mr. Donald Thompson.]*

12.55 am

Miss Janet Fookes (Plymouth, Drake): The House will be aware of my long-standing interest in matters affecting animal welfare, and I rise now to inquire about Government policy on the control of dogs.

The debate has been sparked off by two recent occurrences. The first was the widespread reports that the Government intended to abolish the licence fee for dogs, although I understand that no such decision has yet been made. It was also sparked off by the investigations of the television programme "That's Life" into the scandal of puppy farms.

I would first like to give a brief sketch of the problems relating to dogs and then to give a short summary of the measures that animal welfare groups have taken in the past and also to offer a package of proposals for the Government's urgent consideration.

The scale of the problem of dogs is staggering. It is estimated that there are some 6 million dogs at any one time in Britain and half of those are unlicensed. That is a highly unsatisfactory state of affairs, although it is not surprising in view of the very low licence fee of 37p. I am not surprised that the Public Accounts Committee has commented on the absurdity of that, as it is costing far more—about £3 million more—to collect the licence fee than the revenue obtained.

The problem of stray dogs is especially distressing. I am closely linked with the RSPCA and the National Canine Defence League. I also know a fair amount about the work of Battersea dogs home and the work of local cats and dogs homes in Plymouth. According to the latest annual report, the RSPCA dealt with 103,000 abandoned or stray dogs. However, the RSPCA estimates that that is a measly 20 per cent. of the full number of such unfortunate animals. Half the cruelty cases dealt with by the RSPCA inspectors relate to dogs.

The stories that we hear about abandoned dogs are heart-rending and it is unfair to expect the animal welfare societies to put so much time, effort and money into a problem which the Government ought to tackle. However, apart from the dogs themselves there is the problem caused by dogs that are out of control and which cause a nuisance in society. That problem is especially worrying when it affects livestock. The National Farmers Union has recently suggested that there are about 10,000 cases a year of livestock which are killed or seriously injured by the depredations of dogs out of control—for example, in sheep worrying. There is also the problem of the fouling of pavements, beaches and parks, which understandably causes public outrage.

I am glad that my right hon. Friend the Prime Minister has embarked on a campaign against litter. I suggest that dog fouling is a particularly offensive form of litter and my right hon. Friend would undoubtedly welcome any enforcement of the law on fouling.

There is also over-production of puppies, often in horrendous conditions. That was the subject of the "That's Life" programme. Miss Rantzen has been kind enough to send me a dossier, which I will pass on to my hon. Friend the Minister, outlining some of the cases which were seen on the programme. I am told that, following the

programme on puppy farms, hundreds of letters and telephone calls were received from viewers—some 500 by the time that I received the dossier, but I gather that more were coming in each day.

Today newspaper has also made its own investigations, which would repay further study by the Minister. Many people have bought puppies from puppy farms, only to find that the poor little creatures are very sick and have a miserable and short life. They frequently die, perhaps after the owners have spent a great deal of money on veterinary bills. Many of the problems arise from the non-enforcement of the Breeding of Dogs Act 1973. It ought to be tightened up. On re-reading it, I noticed that local authorities, which are responsible for licensing breeding establishments, may inspect them. I suggest that they should have a duty to inspect them before a licence is granted and that there should be far more follow-up visits than there appear to be.

No longer do we want dogs to be subjected to so much disease and infection and the likelihood of being separated from their mothers far too soon. Anyone who, like me, saw the Esther Rantzen programme will have been horrified by the details that were revealed. They were familiar to me as I work in animal welfare, but I think that, for many members of the public, it was a terrifying insight into the difficult conditions in which some animals are born into the world.

The problem is not new. In 1973, so difficult were the problems relating to dogs that an organisation which rejoices in the name of JACOPIS—the Joint Advisory Committee on Pets in Society—was set up. It produced a comprehensive report in 1975, which was followed by a report by the Department of the Environment in 1976 which bore a remarkable resemblance to the proposals made by JACOPIS. There was an attempt at a private Member's Bill in 1982, and conditions in Northern Ireland were so serious that the Government introduced an order at the end of 1983 which contained many of the principles which were advocated by JACOPIS.

The efforts that have gone into producing a different set of proposals for dealing with dogs have quite a long history. I hope that the Government will not suggest that they need much more time to consult, investigate and the rest—the standard excuse for doing nothing. Forgive me, Mr. Deputy Speaker, if I sound a little cynical, but one gets used to Governments saying that they need more time when they are trying not to make any decision at all.

I should like now to consider the package of proposals which I should like the Government to adopt. The control of stray dogs and the law relating to dogs generally should be placed entirely in the hands of local authorities, and not with the police, who have other and more important tasks than dealing with stray dogs. There should be a mandatory dog warden system in each district. The duties of dog wardens would not be simply the obvious ones such as dealing with strays. They would include advising the public of their duties, being generally helpful and ensuring that the law is enforced, including that concerning the fouling of footways.

To make that possible, there should be a substantial increase in the present ridiculous licence fee. Although the Public Accounts Committee wishes to end the fee entirely, I believe that it should be increased to £5 or £10. The licence would have to be bought on the acquisition of the dog or when the dog reached the age of four months, whichever is the sooner. It is important to stop impulse buying, and if the acquisition of the licence must come at that point, and it costs substantially more than it does now, it might deter people from buying animals without sufficient thought. As one welfare society says, one has a dog not simply for Christmas, but for life.

Furthermore, it would be desirable to reduce the licence fee for any animal that was spayed or neutered to discourage the overproduction of animals and thus reduce the stray dog population. The Government might wish to consider exemptions for working dogs or for needy retirement pensioners. That would be possible under the scheme that I suggest. As a means of enforcement, I suggest that every dog should wear a disc, which would be not only a form of identification but a sign that the licence fee had been paid. It could even be colour-coded so that one could see at a glance whether the licence was current or out of date.

If sufficient funds were available through an increased licence fee, one could ask local authorities to undertake much more inspection of breeding establishments, pet shops, puppy supermarkets and the like, and enforce the conditions which exist theoretically, on paper, but which are too often flouted, as we saw from the "That's Life" programme.

I do not expect my hon. Friend the Minister to give me definitive answers on all those points tonight, much though I would wish it. But I must tell him that the patience of the animal welfare organisations with which I am connected is running out, and my patience is nearly at an end, because we have made constructive proposals for many years but still the Government are stalling. For this purpose, it does not matter whether they are Labour or Conservative Governments. Both have been united in shilly-shallying and failing to take positive decisions.

I hope that the Government will give serious and urgent thought to the points that I have made in this brief debate, remembering the long history of decisions made by the animal welfare organisations about what might be practical and prudent. My request is in no way unreasonable. It is clear that we have a serious problem of too many dogs coming into the world, many of them leading a miserable existence, and the welfare societies almost having to clear up the mess that should be dealt with by the Government.

Britain is still free from the dread threat of rabies, but it must be an ever-present worry to all those concerned with the disease. It would be far easier to cope with rabies if we had fewer animals wandering round unwanted and if there were far greater controls through licensing and enforcement and a proper dog warden service. I hope that, if nothing else, it will make the Government think carefully about the proposals that I have made, which I warmly commend to my hon. Friend and to the House.

1.9 am

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I begin by paying tribute to the work that my hon. Friend the Member for Plymouth, Drake (Miss Fookes) has done, both in the House and outside, for animal welfare. She has been a prominent member of the parliamentary animal welfare group and also a past chairman of the Royal Society for the Prevention of Cruelty to Animals. As she referred to tonight, she is also vice-president of the Joint Advisory Committee on Pets in Society, which brings together many important and influential organisations with an interest in

[Sir George Young]

the control and welfare of dogs. Dog owners, dog interests and indeed dogs are fortunate to have such a formidable champion available to them. My hon. Friend has put forward this evening an eminently sensible manifesto, which is no less than I would have expected from her.

I apologise to my hon. Friend for the absence of my hon. Friend the Member for Mitcham and Mordern (Mrs. Rumbold), who takes a particular interest in canine matters within the Department. She has slipped her leash and is in Luxembourg for a European Community Council of Ministers meeting. Indeed, all Ministers in my Department who have any interest in dogs seem to have fled the country. My hon. Friend the Member for Surbiton (Mr. Tracey), the Minister with responsibility for sport, who I assume looks after greyhounds, is in Mexico, where his presence has had the desired stimulus on the English football team, and the Minister for Environment, Countryside and Local Government, my hon. Friend the Member for Bristol, West (Mr. Waldegrave), is also in Europe.

I make it clear at the outset that the Government have taken no final decision on the future of dog licensing. My hon. Friend the Member for Drake referred to speculation in the press a few weeks ago that the Government intended to abolish the licence. That is one possible course open to us, but I stress that a final decision has yet to be made and before we do so we shall consider carefully what my hon. Friend has said tonight.

I understand my hon. Friend's feeling of impatience, indeed cynicism, at the length of time that it has taken to reach a decision on the future arrangements for the licence. There is, as my hon. Friend said, a large measure of consensus between a number of the very influential bodies concerned with dogs, their welfare and control. However, as the failure of successive Governments to take any action perhaps shows, it is not that simple.

The path ahead is not free of hazards and the Government are anxious not to tread on them. The issues are indeed complex and span the responsibilities of a number of Departments. Some of the courses involve primary legislation, which might be time-intensive and we are anxious to find the right conclusion before we embark on that process.

The arguments are not about the end to be achieved but about the means to achieve a happier co-existence between dogs and society. It is easy for the arguments to be seen in terms of dog-lovers against dog-haters. In fact, few people, whether or not they are fond of dogs, would deny that owning a dog can bring benefits in terms of companionship, comfort and security, particularly to those living alone and to the elderly. It can add a new and enjoyable dimension to family life and teach children a sense of responsibility to dependants. Dogs have an important role to play in the police, sniffing out drugs and explosives, and they are of benefit to the blind and the deaf.

On the other side, there are those who are concerned about dog nuisance. They are in fact concerned about the irresponsible owner who allows his dog to stray, to bark for long periods, to foul public places or to run uncontrolled intimidating others, or who keeps a large dog in a city in a restricted space and with inadequate exercise.

It is the same irresponsible owner who causes suffering and distress to his dog. The strays that my hon. Friend talked about are frequently not well-cared-for animals. The real villain of the piece is the unthinking, uncaring owner. It has been said with some justification that there are no bad dogs, only bad owners.

What are the options? As my hon. Friend has said, the current licensing arrangements are absurd. The Government bear the Post Office's charge for issuing licences, which in England and Wales amounts to some £3·5 million and substantially exceeds the revenue that local authorities receive of about £0·9 million. On the grounds of financial prudence alone, some change is clearly called for.

We acknowledged that in our consultation paper. The criticism has been made, as my hon. Friend said, by the Public Accounts Committee and the Select Committee on the Environment and we said in our paper, that the present situation does not allow any Government who value good administration to do nothing.

We issued a consultation paper which set out three main options — a simple increase in the licence fee, giving local authorities discretion and the abolition of the licence. The response was not conclusive.

Many organisations and individuals have argued to us, as my hon. Friend has, that an increased licence fee would provide funds for local authorities to devote to dog welfare and control measures. Our postbag leaves us in little doubt of the strong feelings which many people have about the dirt, nuisance and fright which can be caused by dogs which are not properly controlled, and my hon. Friend highlighted concern about the welfare of strays.

On the other side of the argument, there are those who feel that it would be wrong for individual dog owners to bear the financial burden of dog control. They argue that the vast majority of dog owners are responsible, care for their pets properly, and prevent them from being a nuisance to others. It is a minority, who would not in any case purchase a licence at a higher cost than at present, who are irresponsible. Some suggest that the number of strays might even increase, were there a higher licence fee, since more dogs would be abandoned. The value of a dog as a companion or protector carries with it the suggestion that some groups might find the cost of a higher licence fee particularly difficult to find, and my hon. Friend suggested some exemptions.

The message to emerge is that there is real concern about the control and welfare of dogs. What is not so clear is how the Government might best tackle these problems and bring to an end the absurdity. My hon. Friend put forward one strategy tonight. We are aware of the views of the joint advisory committee which she has outlined. My hon. Friend the Member for Mitcham and Morden will shortly have the benefit of meeting a deputation from the advisory committee to hear the views of its constituent organisations at first hand. It would be completely wrong not to take seriously the experience and wisdom of those in the front line of caring for dogs, such as local authorities, vets and the RSPCA, which do such important work in dealing with strays and in many other fields.

However, the thought I wish to leave with my hon. Friend is that a higher licence fee is not the only way in which concern about control of dogs and dog nuisance can be met. The Government would need to reflect carefully before abolishing the licence without taking some positive steps to ensure that local authorities and other agencies can carry out the valuable work they already perform in relation to dogs. The importance attached to this by local

authorities is shown by the number almost 200 which already provide a dog warden service for important educational as well as enforcement purposes. I understand that they would welcome the additional revenue that an increased licence fee would provide.

However, there are administrative costs with any licensing system and it can be argued that scarce resources should not be diverted from tackling the problems directly by educating owners in their responsibilities and dealing with the consequences of the irresponsible minority's thoughtlessness. I repeat that no decision on the future of licensing has yet been taken. However, we shall not ignore the concern about dog nuisance when we come to that decision.

My hon. Friend mentioned the fouling of parks, pavements and so on. As I represent an urban constituency, I am aware that this is a genuine issue. It has been estimated that a dog population of 6 million produces 1 million gallons of urine and 1,000 tonnes of faeces daily.

There are already substantial powers available to local authorities for controlling the nuisance and annoyance that dogs can cause. My right hon. Friend, the Home Secretary is the confirming authority for such byelaws. At present a district or borough council can make byelaws which make it an offence for a person to allow his dog to foul footways or designated grass verges. Many authorities have adopted those byelaws.

Byelaws may also be used to ban dogs from enclosed recreation grounds which are in need of special protection, such as children's play areas, sports pitches and ornamental gardens. There are also bans which apply to certain areas of the beach during the summer months. These byelaws are carefully examined before they are approved to ensure that dog owners are not unfairly discriminated against.

A further power which is at the moment under examination is the so-called "poop-scoop" byelaw, which requires owners to clear up after their dogs when they foul public places. A pilot scheme has been running since September last year in four areas including, appropriately, the London borough of Barking, to test the effectiveness of the byelaws. The results are encouraging. Final conclusions cannot be drawn until the end of the trial period in September and then the Home Office will examine the working of the scheme and publish a report. If, as seems likely, the byelaws prove successful, it should be possible to offer these powers to other local authorities.

My hon. Friend mentioned puppy farms and I was distressed to hear her account of the poor conditions in which dogs are apparently being kept and sold by certain establishments covered by the *That's Life* programme and this week in the newspaper *Today*. The regulation of breeding and pet-selling establishments is a matter for my right hon. Friend the Home Secretary, and I shall call to his attention the dossier my hon. Friend mentioned in her speech. I understand that so-called puppy farms will be subject to local authority licensing under either the Breeding of Dogs Act 1973 or the Pet Animals Act 1951.

The Breeding of Dogs Act requires that any person keeping more than two bitches for the purpose of breeding for sale should be licensed by the local authority which must satisfy itself that certain standards of health, welfare and accommodation are met. Any person running a business selling animals as pets must also be licensed by the local authority under the Pet Animals Act 1951. Appropriate conditions can be attached to a licence, which may include a condition about the age at which animals may be sold. That is a major concern in the cases to which my hon. Friend has referred.

There are extensive powers of entry and inspection in relation to premises covered by the Acts I have mentioned and I suggest that anyone who has reason to believe that dogs are being reared and kept in bad conditions should take up the matter with his local authority. As a further safeguard, the Protection of Animals Act 1911 makes it an offence to cause unnecessary suffering to any domestic or captive animal. I can well understand the widespread concern that these reports have caused, and will ensure that my hon. Friend's comments are relayed to my colleagues at the Home Office. Our view is that legislation provides suitably flexible controls over the breeding and sale of dogs, but we shall look at the suggestion by my hon. Friend that "may" might be replaced by "shall".

My hon. Friend spoke about strays. Responsibility for strays rests with the police and my hon. Friend suggested that the matter should be transferred to local authorities. The many and varied demands on police manpower and resources today mean that the police are not always able to give this as high a priority as they, and we, would wish. However, this is a matter for each chief officer of police who has operational responsibility in his force area. Voluntary organisations also play an important role in dealing with strays, as my hon. Friend knows. The requirement in the Control of Dogs Order 1930 for a dog on a highway or public place to wear a collar with the address of the owner inscribed on the collar or an attached plate can be a help in tracing owners.

If I am unable to deal with all the matters raised by my hon. Friend, such as livestock worrying and attacks on people, and rabies, I shall write to her. My hon. Friend mentioned Northern Ireland, where there is a £5 licence fee. We have, of course, kept in touch with experience of these arrangements, but it has long been recognised that the situation in the Province, especially in relation to strays and livestock worrying, is more serious than in Great Britain. I do not think it necessarily follows that what is appropriate for Northern Ireland is appropriate elsewhere.

I also appreciate my hon. Friend's interest in the possible role of a licensing system if an outbreak of rabies should occur. I am advised that dog licensing would have little or no relevance to the actions which would have to be applied in the event of a rabies incident here. We have drawn up contingency plans to deal with this. As I say, my understanding is that although it is under review, a licensing system is not of direct application.

My hon. Friend's concern about dog licensing may well have been heightened rather than allayed by what I have said. I can give her the assurance that the Government are fully apprised of the points she has made and of the widespread anxiety that undoubtedly exists about dog control. I hope that it will be possible to announce a decision about dog licensing in the very near future.

Question put and agreed to.

Adjourned accordingly at twenty three minutes past One o'clock.

House of Commons

Thursday 12 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

SOUTH YORKSHIRE LIGHT RAIL TRANSIT BILL *(By Order)*

BEXLEY LONDON BOROUGH COUNCIL BILL *(By Order)*

SHOREHAM PORT AUTHORITY BILL *(By Order)*
Orders for Second reading read.
To be read a Second time upon Thursday 19 June.

MILFORD HAVEN PORT AUTHORITY BILL *(By Order)*
Order read for resuming adjourned debate on Question [18 February], That the Bill be now read a Second time.
Debate to be resumed Thursday 19 June.

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

S. and W. Berisford

1. **Mr. Livsey** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the takeover bids for S. and W. Berisford and the likely effect on British sugar beet growers.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): My right hon. Friend the Secretary of State for Trade and Industry announced on 20 May that he had decided to refer to the Monopolies and Mergers Commission proposed acquisitions of S. and W. Berisford by Hillsdown Holdings and Tate and Lyle in accordance with the recommendation of the Director General of Fair Trading. The commission's investigations will include consideration of the likely effect on British sugar beet growers.

Mr. Livsey: While welcoming the fact that the proposed acquisition has been referred to the Monopolies and Mergers Commission, may I ask whether the Minister agrees that the sugar industry is far too important to be the subject of such a takeover? Would it not be in the best interests of the industry if it rescued itself, and also for a management buy-out to be considered as the best possible solution for sugar beet growers and those who work in the industry?

Mr. Gummer: I do not think that the series of parts in the hon. Gentleman's supplementary hang together. It is necessary that we look at the effect of any purchase in the context of the interests of the country as a whole, and especially those concerned in the sugar industry. That is what we are doing.

Sir William Clark: Does my right hon. Friend agree that the finance margin for refining beet sugar is much higher than the margin for cane sugar, which is very low? Does he further agree that that could possibly activate against the interests of the ACP countries?

Mr. Gummer: I am sure that my hon. Friend is right. The narrowness of the refining margin causes considerable concern, because without a proper refining capacity in this country the ACOP countries would find it impossible to obtain a market for their cane, which would be a disaster. That is why we have been pressing the European Commission to hold a full investigation, and we are pleased that it will now do so.

Mr. Spearing: Is it not true that a Monopolies Commission investigation could reveal that, given proper safeguards for monopolies, this acquisition could provide an opportunity for all the interests of beet producers and refiners as well as cane producers in the Commonwealth and cane workers in this country to be combined to provide a stable, domestically-owned sugar industry that would provide employment and markets for all concerned?

Mr. Gummer: That is no doubt the case that Tate and Lyle will put before the commission. However, there are now two investigations — one by the Monopolies and Mergers Commission and the other by the European Commission, which is looking into the margin.

Mr. Andy Stewart: Will my right hon. Friend reassure my constituents and others who grow sugar beet that if Ferruzzi, the Italian company, makes a further bid he will support his colleagues by referring that to the Monopolies and Mergers Commission also?

Mr. Gummer: The Office of Fair Trading is currently considering whether Ferruzzi's holding in Berisford constitutes a material influence resulting in a merger that would qualify, at the moment, for a reference to the Monopolies and Mergers Commission under the Fair Trading Act 1973.

Mr. Torney: Is the hon. Gentleman aware that takeovers usually mean unemployment for workers in the company taken over? Will he therefore consider making representations to try to ensure that workers do not lose jobs, especially in view of the tremendous workless total in this country?

Mr. Gummer: In the first place, I do not think that is truthful. One must look for security of employment in an industry, and that security is sometimes advanced by takeovers and sometimes not. The hon. Gentleman must not let his political dogma get in the way of the facts. We must adopt the best possible solution across the board, and that is why we have established an impartial investigation. The hon. Gentleman wants to prejudge the impartial investigation, which is a typical Socialist attitude.

Set-aside Schemes

2. **Mr. Baldry** asked the Minister of Agriculture, Fisheries and Food what consideration Her Majesty's Government are giving to agricultural set-aside schemes.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): In the cereals sector, the Government are actively considering ideas for a Communitywide voluntary set-aside scheme. The Government are also studying the Commission's proposals for set-aside in its socio-structural package.

Mr. Baldry: Does my right hon. Friend agree that at a time when we are seeking to tackle surpluses, the advantage of set-aside schemes is that they enable us much more accurately to determine which land shall be taken out of production, and thus ensure a fairly comprehensive countryside policy in any one area? When does my right hon. Friend expect that his Ministry will be coming to conclusions on both his and the Community's schemes, which are under discussion?

Mr. Jopling: I believe that my hon. Friend is right in his analysis. We are working on the criteria that the scheme should be voluntary, Communitywide and cost effective, and should provide an alternative for those producers who are least able to cope with a restrictive price policy. We are anxious to start discussions as soon as possible.

Mr. John: Would not a set-aside policy be more easily achieved if we had a parallel farm woodlands policy? Does the Minister agree, on the question of surplus cereal production, that it is estimated that about 14 to 15 per cent. of cereal land in Britain will have to be taken out of production?

Mr. Jopling: I would not accept those figures, because much depends on the degree to which the Community is successful in bringing the production of food closer to the level of consumption. We must consider, in respect of the scheme, the overall problem of land use, including the potential of a greater incidence of the growing of trees.

Mr. Hunter: Will my right hon. Friend take this opportunity again to clarify his position on the control of cereal surpluses? Does he still believe that price control is the best and only practical way to control production, or is he seriously considering alternative and additional methods?

Mr. Jopling: I know that my hon. Friend has heard me say on a number of occasions how I believe we should deal with the current surplus in cereals. I remind him of the Commission's estimate that if we do nothing we could find ourselves with 80 million tonnes of surplus grain in the Community by 1991. My view is that a package of measures is necessary. It would not be practical politics to deal with the matter with one device alone, such as price control. We must use the devices of price, set-aside and intervention standards. I have been saying this in the House for about six or nine months. I believe that price must be at the forefront of the package.

Mr. Maxwell-Hyslop: Will my right hon. Friend bear in mind that while set-aside has its definite advantages, we do not want that to prolong the excessive use of fertilisers, which run off into rivers and into the public water supply from the land that is not set aside? In other words, we want to achieve a situation in which we do not get maximum production from the acreage that is not set aside.

Mr. Jopling: My hon. Friend did not use the word nitrates, but I suspect that he had it in mind. We are conscious of the dangers of the excessive use of nitrogen in encouraging plant growth. For that reason we are carrying out a careful study of the problem. I hope that we will be able to see the conclusions of that before very long. We should be careful about introducing steps to prevent the use of methods of producing high yields which hold back farmers within the Community, whereas their competitors in the rest of the world are free to use every device which leads to greater efficiency. That would be a dangerous step.

EC Budget (Price Agreement)

3. **Mr. Geraint Howells** asked the Minister of Agriculture, Fisheries and Food what is his latest estimate of the likely effect of the European Community agriculture price agreement on the European Economic Community budget.

Mr. Jopling: The Commission has estimated that the agriculture price agreement for 1986-87 will reduce Community expenditure by 320 million ecu in 1986 and by 457 million ecu in 1987. At the same time, the Council agreed to cuts in the Community financing of intervention which will save an additional 300 million ecu a year.

Mr. Howells: I am grateful to the Minister for his reply. Does he agree that now is the opportune time to reform the way in which we market our surpluses within Europe, instead of selling beef to the Russians at a giveaway price? What plans has his Department put forward to the Commission to try to improve the situation?

Mr. Jopling: Over the years we have tried — this was probably true of the previous Government also — to argue in favour of policies which prevented these huge, unmarketable, unwanted and uneatable surpluses from being built up. That seems to be the right policy. As the hon. Gentleman knows, we have been extremely unhappy about the special sales, which are directed, for instance with butter and other products, at countries such as the Soviet Union.

Mr. Marlow: Is there not a simple way of solving the Community's financial problems? Is the Community not like any other organisation or person? Should it not say to itself at the beginning of each year that there is only a certain amount of money to spend on agriculture? If, perchance and sadly, it should go above that level of expenditure, could it not pass the hat round to those countries that spend the most money? If it needed surplus cash, could it not take it pro rata on the basis of where the money was spent? Would that not be a fair and sensible solution?

Mr. Jopling: If it came to what was a fair and sensible solution, my hon. Friend would probably scrap the whole Community. Of course, that is not the policy of the majority of hon. Members or of the Government. We have a financial guideline, as my hon. Friend knows perfectly well. In this year's price-fixing the financial guideline has been a major influence on the successful outcome of that price fixing process.

Mr. John: Does the Minister agree that the CAP budget for this year will be £800 million more than last year, despite what the Minister said is being saved? Even that is not a full statement of the problem. Ministers have sought to hide expenditure of between £300 million and £900 million this year and bury it in next year's accounts.

We are talking therefore about between £1,000 million and £1,700 million more expenditure. The Agriculture Ministers are doing that to try to hide the poverty of their approach to the real problems of the CAP.

Mr. Jopling: The hon. Gentleman will recall that price fixing this year did respect the financial guideline. As he was shown, exceptional circumstances, in the view of the Commission, have led to a supplementary budget to be produced above the guideline, on the ground of the fall in the level of the United States dollar and the consequent increase in the amount of money which the Community needs to complete the programme.

Horses and Ponies (Slaughtering Policy)

4. **Mr. Greenway** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on his policy towards the slaughter of horses and ponies for the purpose of carcase exports.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): We consider that the welfare of horses and ponies should be protected at the point of slaughter in all circumstances.

Mr. Greenway: Does my hon. Friend agree that the existence of only five EEC-approved slaughterhouses for horses and ponies is not sufficient, and that the conditions at the lairages at them are, in many cases, disgraceful? In one case they amounted to only a muddy field where horses and ponies were kept for many days before being slaughtered. Will she look into the fact that horses and ponies are being forced to travel long distances, over many days, in unsatisfactory conditions, without food, water or exercise before slaughter? Will she look into the fact that RSPCA Inspector Rankin was forced out of the Southall horse market the other day when he said that horses being sold there were too thin for riding?

Mrs. Fenner: On my hon. Friend's latter point, another RSPCA inspector attended the market on 4 June. I would not wish my hon. Friend to think that there was not an RSPCA inspector there. I take his point about fewer abattoirs meaning, obviously, a longer journey for horses. Horses in transit are protected by transit legislation. I have often reiterated to my hon. Friend that local authorities are empowered to enforce controls. Evidence of offences should be reported to local authorities. The Farm Animal Welfare Council is reviewing the welfare of all livestock in transit, including horses and ponies. Following the FAWC's report on the welfare of redmeat animals, including horses, at the time of slaughter, the Government have proposed a number of changes to legislation to provide further protection for all animals for slaughter.

Mr. Bermingham: Does the hon. Lady agree that the problem is that there is an inadequate number of inspectors, that local authorities seem reluctant to prosecute and that legislation is not sufficiently penal? A decent method of slaughter of horses — many of us would object to their slaughter in any event — can be secured only through proper inspection, proper enforcement and proper punishment for offences when the law is so openly flouted.

Mrs. Fenner: Local authorities have not made the point that they are not able to enforce the law as it stands. As I pointed out, offences have to be drawn quickly to their attention. I understand that a local authority is promoting a Bill to give additional powers to deal with stray horses.

Mr. Dickens: Is my hon. Friend aware that the French actually eat our horses and ponies as steaks? Has she considered that if we stopped eating their frogs and snails, they might consider not eating our horses and ponies?

Mrs. Fenner: I note my hon. Friend's objection to horsemeat as a diet. I think that, by and large, that view is shared by a large number of people in this country, but I would not like to speak on behalf of those who eat grenouilles and escargots.

Mr. Randall: Is the hon. Lady satisfied that the problems found by the FAWC within slaughterhouses have been properly and satisfactorily dealt with? Is she satisfied that slaughtering methods and procedures used for horses are no less humane than those used for cattle, pigs and other animals?

Mrs. Fenner: We have received the FAWC's report and have proposed a number of changes to legislation, which are now up for consultation it will take a while because legislation is required to provide further protection for all animals. The FAWC considered in particular horses and ponies at slaughter as well as all other redmeat animals.

Food Surpluses

5. **Mr. Proctor** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with current measures to reduce European Economic Community food surpluses.

Mr. Gummer: In 1984 the Council agreed milk quotas; in 1985 important reforms of the wine regime were adopted; the price-fixing agreement this year included further steps in tackling the milk and cereals surpluses; and the Council is committeed to taking decisions on beef support later this year. We intend to keep up this steady programme of reform. There is a great deal more to be done.

Mr. Proctor: Has my right hon. Friend seen early-day motion 918 in the names of my hon. Friend the Member for Southend, East (Mr. Taylor) and other hon. Members concerning a new EEC subsidy for feeding butter to cows? What is my right hon. Friend's attitude to that? Will he confirm that £75 million a week is spent by the Community on disposing of surpluses?

Mr. Gummer: I have watched carefully the considerable efforts that my hon. Friend the Member for Southend, East (Mr. Taylor) puts into ensuring that we never miss some of the sillier things that happen in the European Community. Our purpose is to reduce the supply of goods so that they are more nearly in line with needs. We shall continue to press for that.

Mr. Deakins: As substantial price reductions are really the only effective alternative to quotas, which the Minister does not like, why are he and his Department so complacent about the impact of recent currency changes in the EEC which have meant that this year a number of farmers in countries in the Community will receive increases in their cereal prices?

Mr. Gummer: I do not think that the Department is in any way complacent. We have said that the effects of the

package this time have meant a considerable cut in the price that will be received for cereals. It is not the method we would have used or for which we shall continue to press. However, we are honourable and honest enough to say that a great deal has been achieved.

Mr. Kenneth Carlisle: Does my right hon. Friend agree that any system we introduce to confront the problem of surpluses must be simple and practical, and that in order to achieve that it is best to consult those who are involved in agriculture? In that respect, will he consider producing a Green Paper on the various methods by which we could reduce surpluses?

Mr. Gummer: I am not sure that in those circumstances a Green Paper would be the right way to go about it. However, I agree with my hon. Friend that there is no way in which we can reduce the surpluses unless we do so with the support and help of the agriculture community. Sometimes I wonder whether the Opposition realise that people in the agriculture community need proper incomes as much as do those elsewhere.

Mr. Home Robertson: Will the Minister accept that his policies have caused the maximum disruption in the industry that he has just been talking about, while having the minimum effect on surpluses? As the Minister is the proud custodian of all these vast stocks of cereals, beef, dairy produce and so on, will he try, by looking after them properly, to ensure that someone gets the benefit of these stocks in due course? How about starting by ensuring that good quality cereals in intervention stores are kept separate from the uneatable stuff about which his right hon. Friend the Minister was talking?

Mr. Gummer: The answer to the hon. Gentleman's first question is no. The answer to his second question is that it is our purpose to keep the stocks in the form which makes them most saleable.

Mr. John Carlisle: Will my right hon. Friend accept that the delay and confusion over the announcement of the method of collecting the co-responsibility levy on cereals is causing great concern in agriculture? Will he also accept that the draft recommendations from Brussels are totally unworkable and very much favour the farm feed process, against the country compounder? The trade is anxious that the settlement should be made well before the harvest, so that it knows where it is.

Mr. Gummer: I am sure that my hon. Friend is right in saying that a delay in the decision is extremely difficult for the trade. As the rest of his question goes on to suggest, it is also important that we get the management arrangement correct. Our problem is that we are pushing for the most sensible and simple method which we can have in a co-responsibility levy, which is not the system we would have chosen. Therefore, I think my hon. Friend will agree that it is our job to ensure in that management committee decision that it is, ultimately, the best system for Britain.

Mr. Meadowcroft: The Minister will be aware of the concern about food contamination following the Chernobyl disaster. Can he tell us——

Mr. Speaker: Order. There is a later question on that.

Mr. Meadowcroft: I wanted to ask about the effects that Chernobyl is expected to have on EEC food surpluses.

Mr. Gummer: I think that the hon. Gentleman is getting his question in early in case we do not reach it. We are not currently in a position to assess the effect of the Chernobyl disaster on European surpluses.

Food and Wine Surpluses

7. **Mr. Teddy Taylor** asked the Minister of Agriculture, Fisheries and Food what was the total sum spent by the European Economic Community on the storage and disposal of food and wine surpluses in the most recent 12-month period for which figures are available, expressed in pounds sterling; and what was the comparable total five years previously.

Mr. Gummer: Expenditure by the European Community in 1985 on the storage and disposal of products in structural surplus, that is cereals, sugar, milk products, beef and wine, was about £7·3 billion. The comparable figure for 1980 was about £4·7 billion, or, if inflation is taken into account, £6·8 billion.

Mr. Taylor: Is it not a criminal waste of public funds that £150 million is now being spent by the Common Market every week on dumping, disposing of or destroying food surpluses? Is that expenditure not a shameful insult to every health authority and school authority, and to the old-age pensioners and unemployed of Britain, who could use the money much better?

Mr. Gummer: It is certainly not a sensible way to spend money. It is the Government's purpose to ensure that surpluses are pulled down while farm incomes are at least protected and that we are able to have what ought to be the triumph of agriculture, which is that we are able to feed our people, not turned into the sadness of agriculture because there is too much.

Mr. John: When the Minister's right hon. Friend says that Mr. Adriesson has estimated that in five years' time cereal surpluses will rise to 80 million tonnes, which is a fivefold increase on their present size, does he not think that this time the Agriculture Council should do other than mull over generalities and get down to solving the problem?

Mr. Gummer: The hon. Gentleman must accept that that is what would happen if we did nothing, and that the Agriculture Council has already done a great deal, but nothing like enough. I am, therefore, pleased to note his support for the measures that we are trying to take and trying to get the Council to take to ensure that we achieve solutions. The fact is that the CAP, like the previous system in this country, was based on the principle that the major problem was a shortage of food. Contrary to everything that the experts say, we now have a world in which we have too much food. Changing the system is not the easiest thing in the world.

Mr. Harris: May I press my right hon. Friend a little further on cereal surpluses? Does he agree that the only test of a successful policy is whether a small amount goes into intervention? Will he confirm that the prospects for the coming year are that a larger amount will go into intervention?

Mr. Gummer: I would not wish to make any prognostication about how much will go into intervention. The fact is that China, India and other countries which used to need our food surpluses are now exporting food.

In those circumstances, it is a scandal that we have more and more intervention stores and grain, and we must change that.

Common Agricultural Policy

8. **Mr. Thurnham** asked the Minister of Agriculture, Fisheries and Food what recent representations he has received about reform of the common agricultural policy.

Mr. Jopling: My hon. Friend will not be surprised to know that I receive many representations from individuals and organisations about the common agricultural policy.

Mr. Thurnham: Is my right hon. Friend aware that what Bob Geldof raised last year

Mr. Campbell-Savours: Sir Robert Geldof

Mr. Thurnham: the EEC wastes each week in dumping and destroying food? Why cannot British pensioners have British butter at 15p a pound, instead of it being given to the Russians? Now that the Russians have poisoned their meat produce with radiation, should they not pay a proper price for our meat?

Mr. Jopling: The latest Commission proposal, which we have only just received, suggests, disappointingly on the Commission's figures, that the revised scheme for butter disposal would deal with only about 30,000 tonnes of butter in the Community as a whole. We have not yet had proper discussions of the proposal in Brussels, and we need to have a number of points clarified before we can take a final view on how to react.

Mr. Kirkwood: Will the Government take careful account of the importance of less-favoured area status within the CAP in terms of any future reform? Will they look carefully at the extensive extension granted recently in West Germany and consider similar proposals for extentions in other areas, such as Scotland?

Mr. Jopling: The hon. Gentleman will recall that only about a year ago we were able to achieve the great success of enlarging the less-favoured areas in the United Kingdom, which brought about 28,000 additional farms into less-favoured area status. That has been most warmly received by the industry. Regarding the recently agreed German extension, the hon. Gentleman will recall that it was carried out under the guidelines laid down by the Commission and the Council. We are considering the possibility of further adjustments to our areas with this status and we are at present working towards that possibility.

Sir John Farr: Does my right hon. Friend agree that in any reform of the CAP we should aim for a modest surplus to be produced at home by British farmers, and that the best way of controlling that surplus is by pressing on wih the set-aside programme, which will provide farmers with a working income at less than the present great cost of storing the surpluses produced?

Mr. Jopling: I am extremely grateful to my hon. Friend for his warm support of our ideas on the set-aside programme. They are gaining support. I am particularly interested to hear that the German Government are proposing a pilot scheme along these lines in Lower Saxony. My hon. Friend is absolutely right in saying that we should aim at a modest surplus, so that the chances of food shortages are reduced to a negligible level.

Mr. John: As the right hon. Gentleman is basking in the support of the hon. Member for Harborough (Sir J. Farr) for the set-aside programme, may we have some details rather than general statements about how and in what form the set-aside programme will work? At column 245 of the report of our previous Agriculture Questions on 8 May the Minister appeared to say that the cause of surpluses was bad management and that no change in the principles of the CAP was necessary. Is that still his view? If so, is that how he will approach his presidency of the Council of Agriculture Ministers?

Mr. Jopling: Yes, most certainly. I have taken the view, as have Labour Ministers before me, that the principles of the common agricultural policy, in endeavouring to ensure that there are adequate supplies of food at reasonable prices for the housewife while providing a fair return for the farmer, are good principles to start with. The tragic mistake was the way in which the Council of Agriculture Ministers, over the years, but especially during the early 1980s, despite British protestations, has reached for the cheque book whenever there have been difficulties. It has allowed massive price increases, which could lead only to huge food surpluses and the ultimate bankruptcy of the Community. The inadequacies of management, which ignored British advice, have led us into the present mess.

Agricultural Land Use

9. **Mr. Phillip Oppenheim** asked the Minister of Agriculture, Fisheries and Food whether the Department is considering the publication of a White Paper on the future of agricultural land use.

Mr. Jopling: No, but my Department has commissioned, or is involved in, a number of studies into future agricultural land use. I expect that the results of these studies will be made widely available to enable informed discussions to take place on this important issue.

Mr. Oppenheim: Is my right hon. Friend aware that one of the greatest problems facing agriculture is the sense of uncertainty and the lack of direction? The publication of a Government White Paper would at least have the effect of pointing farmers in the right direction and at the same time might have the effect of scotching some of the more ridiculous alternative land use schemes, such as Government subsidies for growing trees, which are phenomally expensive?

Mr. Jopling: My hon. Friend will recall that for many years there have been Government subsidies to encourage people to grow trees. I am sorry to hear that he believes that is a mistake. I perfectly understand and agree with him about the vital future importance of land use. However, I remain to be convinced that the correct way to proceed is to produce a White Paper. Let me give him one example. In the last six months of this year we shall be discussing a new beef regime. Neither I nor anyone in the Community or the House has any idea of the outcome of the discussion. It would be very difficult to produce a White Paper with that imponderable taken into account.

Mr. Campbell-Savours: Should not a White Paper be announced to disclose the Government's intention to carry out a study into the effects of acid rainfall on agricultural land use? As last year, 150,000 people died of cancer, and as we know that coal-fired power stations are emitting carcinogenic material by the tonne every day of the week,

do not the Government have a duty to discover whether any of that carcinogenic material is making its way into the food chain? Should not the Government, especially the Minister's Department, address that issue?

Mr. Jopling: The hon. Gentleman knows that we regularly monitor food health and safety. Food is becoming safer as time goes by. That is certainly the case with regard to radioactive material. The hon. Gentleman has drawn our attention to this difficult area. He requests a White Paper on acid rain, another on cancer and another on emissions from power stations. There is no end to it.

Mr. Coombs: Despite the obvious attractions of a White Paper and the consultation process, will my right hon. Friend take an early opportunity to tell the British people that there is no question of large numbers of golf courses being sought as the solution to this problem? Will he assure the House that, if we are to have trees, they will be British trees such as the oak, the ash and the beach and not the anonymous conifers of Scandinavia and North America?

Mr. Jopling: My hon. Friend will recall that we recently announced a broad-leaved policy for woodlands, which was most warmly received. My hon. Friend should address his question about golf courses to my hon. Friend the Minister with responsibility for sport.

Mr. Home Robertson: How can there be the informed discussion to which the Minister referred against the background of cuts which the Government have made in the Soil Survey for England and Wales and the Macaulay Institute, which does the same work in Scotland? For how much longer will the Minister shirk his responsibility for giving the industry the guidance that it needs to readjust the pattern of production and supply? If he is thinking about some form of set-aside scheme, will he give the House some answers and stop trying to duck questions, as he did in answer to my hon. Friend the Member for Pontypridd (Mr. John)?

Mr. Jopling: There is no question of ducking questions. I have explained clearly our views on set-aside. I have explained them in the Community, and they are becoming more recognised. I do not understand what all this has to do with the Soil Survey.

Mr. Home Robertson: That says it all.

Set-aside Schemes

10. **Mr. Latham** asked the Minister of Agriculture, Fisheries and Food what recent discussions he has held with the president of the National Farmers Union regarding a set-aside scheme for dealing with agricultural surpluses.

Mr. Jopling: I and my officials hold frequent discussions with representatives of the NFU on all aspects of the support system for cereals.

Mr. Latham: Rather than just going back 200 years to "Turnip" Townsend and fallow fields in a four-course rotation, will my right hon. Friend look carefully at the NFU's brand new document on tree production? Does it not contain a good deal of common sense?

Mr. Jopling: Yes. I believe that, for some time now, the NFU has recognised the importance of increasing woodland on farms. I very much look forward to studying its document more carefully. The fallowing of land is an ancient and honourable way of land management.

Surplus Food Stocks

11. **Mr. Canavan** asked the Minister of Agriculture, Fisheries and Food what is the total amount and value of surplus food stocks *(a)* in the United Kingdom and *(b)* in the entire European Economic Community.

Mr. Gummer: A note setting out the volume of intervention stocks in the United Kingdom and the Community is deposited in the Library of the House and is updated monthly. The value of these intervention stocks, which include some non-food stocks, is estimated to be £1,371 million in the United Kingdom and £6,197 million in the Community as a whole.

Mr. Canavan: For how much longer will the Government tolerate the absolute obscenity of millions of tonnes of food rotting away in the Common Market while millions of people in the Third world face the risk of death by starvation? As the Government have given some belated recognition to Bob Geldof

Mr. Campbell-Savours: Sir Bob Geldof.

Mr. Canavan: is it not time that they gave more recognition to what the man had to say about releasing some of the surplus food to help hungry people in Africa?

Mr. Gummer: I wish that the hon. Gentleman, whose views on the need to help hungry people I share, would just read what Oxfam and other organisations say. They say that it is not surplus food but financial aid that is needed, otherwise indigenous agriculture will be driven out and there will be no possibility of building an agricultural future for those countries. The hon. Gentleman must not allow his opposition to the Common Market to do down the underdeveloped countries.

Food and Drink Industries (Treaty of Rome)

13. **Mrs. McCurley** asked the Minister of Agriculture, Fisheries and Food what estimate his Department has made of the effect of the new article 100A of the Treaty of Rome on the interests of the food and drink industries.

Mrs. Fenner: This article, which will apply after ratification of the single European Act by all member states, contains new provisions for adoption of Community measures in the internal market. In particular, the Council will act by qualified majority rather than by unanimity. I cannot predict what effect this change will have on the nature or number of the measures adopted.

Mrs. McCurley: I am grateful to my hon. Friend for that reply. Will she continue to ensure that there are no unnecessary restrictions on the export of foodstuffs to the EEC while we are considering our internal legislative policies?

Mrs. Fenner: I can assure my hon. Friend that we shall continue to play a full part in the negotiations for harmonisation of food standards and ensure that the interests of our food industry are taken into account in working towards a harmonised market.

Freezer Vessel Licences

15. **Mr. Randall** asked the Minister of Agriculture, Fisheries and Food when he intends to publish the outcome of his Department's study into freezer vessel licences for pelagic fishing.

Mr. Gummer: I hope that it will be possible to make an anouncement in the near future.

Mr. Randall: Is the Minister aware that the inordinate delay in publishing the findings of his review has seriously impeded investment in, and the restructuring of, the British fleet? Will he tell the House whether he agrees, in principle, that the use of freezers in pelagic fishing could result in considerable improvements in efficiency and cost-effectiveness? Does he agree that the early construction of new freezer vessels could provide much needed orders for our very hard-pressed shipbuilding industry?

Mr. Gummer: I think it is very important that the British fishing industry should make the most of the opportunities that it has under the common fisheries policy and which are much to its advantage. That is why I want to get the right answer, and that is why we are seeking an answer. I hope that I can give the hon. Gentleman a reply soon.

PRIME MINISTER

Engagements

Q1. **Mr. Pavitt** asked the Prime Minister if she will list her official engagements for Thursday 12 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Pavitt: Is the Prime Minister totally unaware of the deep anger among nurses over the fact that, for the second year running, she has overturned the review body award and short-changed them by giving them only nine months' instead of 12 months' pay? Is she also aware that the injustice of giving the managers back pay until February has infuriated doctors and nurses alike? Ward sisters have now got £800 less than the review body decided they should have. When the Prime Minister replies to the Royal College of Nursing's letter of 28 May, will she take into account the grave shortages in acute nursing facilities and the low morale? Will she take the decision back to the Cabinet and not give the House a lot of statistics about national numbers, past comparisons and the inflation rate?

The Prime Minister: The hon. Gentleman is aware that nurses have had a far better deal under this Government than ever they had under the Labour Government. A ward sister to whom the hon. Gentleman refers is now, on the top of her scale, receiving £2,000 a year more than she would have done had the 1979 rate, which appertained when his Government were in power, merely been increased by inflation. Our record on that is excellent.

With regard to the pay of National Health Service general managers, the new rates of pay which operated from 1 February related to the 1985-86 pay year for general managers. The hon. Gentleman is aware that many general managers had jobs with tenure and they have had to give up that tenure to take the management jobs.

Sir Paul Bryan: Reverting to my right hon. Friend's answer of last Tuesday on the question whether Rolls-Royce required Government support, is she aware that last week Cathay Pacific Airways ordered two Boeing 747 400s, with an option on seven more?

Cathay Pacific, when deciding upon the engines for that plane, having considered Pratt and Whitney, GEC and all the rest, finally came down in favour of the new Rolls-Royce RB211 524 D4D. Is it not a promising start for the engine to have a company of this standing as its launch company, and should it not bring orders for many years to come?

The Prime Minister: I am delighted to hear of the order won by Rolls-Royce, on the merits of this engine. It is very good news indeed and it highlights the company's export record. Rolls-Royce is used to exporting. Last year Rolls-Royce engine sales to the United States were worth £435 million.

Mr. Shore: The Prime Minister will know that this morning a state of emergency was declared in South Africa. In the light of these latest and grave events, and the sombre report of the Eminent Persons Group, is it not now plain to the Prime Minister that her stance at Nassau last October was totally misjudged? Political progress against apartheid cannot be made without effective and concerted economic pressure against South Africa. Detailed measures need urgent consideration with Commonwealth partners. The House and the Commonwealth are entitled to know from the Prime Minister now whether she accepts the principle of economic sanctions against South Africa.

The Prime Minister: We have just received the group's report and we are studying it carefully. Time is needed for all concerned, including the South African Government, to consider the report. I shall be meeting the two co-chairmen later today. We must not close the door on future negotiations. The group's report recognised that it was not its task to make specific proposals about measures. Therefore, we shall be in touch with our Commonwealth partners, our European partners and our economic summit partners to discuss this report.

Mr. Shore: That is an equivocal, and, for the right hon. Lady, a surprisingly unclear and indefinite response to what was a unanimous report by a group that spent six months, at her personal request, studying events in South Africa.

The Prime Minister: We have just received the report.

Mr. Shore: We have indeed just had the report, but it has been available to almost everybody for the past 48 hours. The Prime Minister has had plenty of time to consider, not so much the detail of what we need to do, but the principle of the matter. Will she now remove her veto on economic sanctions, on which she has previously insisted?

The Prime Minister: The right hon. Gentleman is complaining because we are to consider the report carefully with our partners before we reach our conclusions. He knows full well that the report says:

"we are not determining the nature or extent of any measures which might be adopted, or their effectiveness".

The report has taken a long time to compile and we are grateful to the group that has undertaken the task. I shall be seeing its members later. I am not aware that the phrase "economic sanctions" appears in the conclusions.

Mr. Shore: I have one final point to put to the Prime Minister, because she is equivocating. The word "sanctions" has been used by the leading members of the Eminent Persons Group. I quote directly from paragraph 352 of its report, which says:

"We are convinced that the South African Government is concerned about the adoption of effective economic measures against it."

If that is not equivalent to sanctions, I do not know what is.

The Prime Minister: I have read out what the report says, which is:

"we are not determining the nature or extent of any measures which might be adopted, or their effectiveness".

The right hon. Gentleman is complaining because we shall take great care in considering the report and in consulting both the Commonwealth and our economic partners. I shall quote what a spokesman of the Labour Government, of which the right hon. Member was a member, said in December 1977, after Soweto was debated in the United Nations. He said:

"We voted against"—

economic sanctions against South Africa—

"together with France, West Germany, the USA and some other Western countries, because we do not agree that the far-reaching economic measures which the resolution calls for would produce the changes in South Africa which we would all wish to see."—[*Official Report*, 16 January 1978; Vol. 942, c. 9.]

Mr. Hunter: My right hon. Friend has made much of the sentiment "the lady's not for turning". May we take it that she will not turn aside from her view that the further isolation of the South African Government and the imposition of sanctions, while they will achieve many things, will not help the creation of a more just and equitable society in South Africa?

The Prime Minister: Of course we want a more just and equitable society in South Africa and we condemn apartheid. We still believe that we must not close the door on future negotiations and that the group's basic approach of promoting dialogue and a suspension of violence remains correct. Of course, we shall consider this distinguished report carefully, and consider it with our European partners, our Commonwealth partners and with the seven industrialised nations. I am sure that my hon. Friends will agree that that is the right way to go about it, before dashing into premature conclusions.

Dr. Owen: Can the Prime Minister promise the House that when President Reagan applies economic sanctions against South Africa she will not turn round and follow suit? When will she lead world opinion instead of being led by the nose? In the light of the state of emergency that was declared today in South Africa, will she tell us now that she will be ready to stop direct intercontinental flights to South Africa?

The Prime Minister: The right hon. Gentleman is well aware that those flights are conducted under legal contract. There are specific legal obligations in those contracts, which cannot suddenly be abrogated. I note that in an article in *The Sunday Times* on 24 March 1985 the right hon. Gentleman said:

"Total, or even selective trade sanctions, will not succeed."

Mr. Baldry: Does my right hon. Friend agree that it is time that Northern Ireland said yes to something? The SDLP vetoed the Assembly and the Unionists have vetoed the Anglo-Irish accord. Is it not time that Northern Ireland said yes to something and then tried to seek a solution to its problems? Northern Ireland should not always look to Westminster for a new initiative, because we have rather run out of initiatives and out of patience with the people of Northern Ireland, who sabotage everything that we try to do.

The Prime Minister: I appreciate what my hon. Friend has said. As he knows, my right hon. Friend the Secretary of State for Northern Ireland will make a statement later today. In the meantime, the invitation to the Unionists stands. We invite them to come and discuss how to get devolved government and to discuss the future of the Assembly. It is also open to them to come to discuss the future arrangements about the conduct of Northern Ireland legislation in the House. I hope that one day they will take up that offer.

Mr. J. Enoch Powell: Will the Prime Minister invite her security advisers to study with great care the implicit timetable behind the outrages and attempted outrages for which the perpetrators have just been convicted? Will she compare those with the successive stages of negotiation between Her Majesty's Government and the Governments of the United States and the Irish Republic?

The Prime Minister: I shall deal separately with the two parts of the right hon. Gentleman's question. Of course security advisers will learn any lessons that are to be learnt. It is their duty to do so. They go to great lengths to try to protect us and they do a supremely good job. I totally reject the latter half of the right hon. Gentleman's question.

Q2. **Mr. Patchett** asked the Prime Minister if she will list her official engagements for Thursday 12 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some time ago.

Mr. Patchett: Does the Prime Minister accept that the uprating by 10p per week of child benefit is an insult to the many families who depend upon it? Is that not another example of the Government's callous indifference to those that have not?

The Prime Minister: No. Child benefit is at just about the right level. The hon. Gentleman fails to observe that the money for child benefit often has to come from the very families to which it goes. There are of course increased amounts under supplementary benefit. In so far as the hon. Gentleman refers to supplementary child benefit, the increase is low because inflation is low—lower than ever his Government had it.

Q3. **Mr. Craigen** asked the Prime Minister if she will list her official engagements for Thursday 12 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Craigen: When it comes to the crunch, is the Prime Minister prepared to break the Commonwealth rather than back stronger concerted measures to break the pattern of apartheid in South Africa?

The Prime Minister: I have said that we shall be consulting the Commonwealth, I think at the beginning of

August, when the seven Heads of Government come to London for that purpose, and I shall be seeing the two co-chairmen of the Eminent Persons Group later this afternoon.

Q4. **Mr. Jessel** asked the Prime Minister if she will list her official engagements for Thursday 12 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Jessel: As it is only the Conservative party which is united, with a strong and clear defence policy for the defence of Britain, is it not a danger to our country that unilateral nuclear disarmament is supported not only by the Labour party but by five out of every six Liberal candidates, over which they are deeply split with the right hon. Member for Plymouth, Devonport (Dr. Owen)? Is this not a total abuse of the word "alliance", which should now be dropped?

The Prime Minister: Yes, Mr. Speaker. I wholly agree with my hon. Friend that only the Conservative party and the Government have a defence policy which is based on British interests and not on trying to reconcile irreconcilable views.

Q5. **Mr. Allen Adams** asked the Prime Minister if she will list her official engagements for Thursday 12 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Adams: Is the right hon. Lady aware that many parts of Rolls-Royce aero-engines are made in my constituency at Hillington and that there is deep concern about the company's future in Glasgow, particularly its capacity to produce in the west of Scotland? Will she ask her Ministers to seek assurances from the directors of the company that they will keep a presence in Glasgow?

The Prime Minister: I shall, of course, pass on the hon. Gentleman's request, and I am sure he will appreciate that the likelihood of the company maintaining a presence in Scotland is the greater the more orders Rolls-Royce wins. It appears to be being very successful on design and merit.

Business of the House

3.30 pm

Mr. Peter Shore (Bethnal Green and Stepney): May I ask the Leader of the House whether he will state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 16 JUNE—Opposition Day (15th Allotted Day) (1st Part). Until seven o'clock there will be a debate on an Opposition motion entitled "The crisis in big city hospitals".

Afterwards progress on remaining stages of the European Communities (Amendment) Bill.

TUESDAY 17 JUNE—Opposition Day (16th Allotted Day). There will be a debate on South Africa on an Opposition motion.

Afterwards there will be a debate on EC Document 9360/84 as amended by EC Document 5752/86 relating to EC proposals on the marketing and testing of medicinal products.

WEDNESDAY 18 JUNE—There will be a debate on Foreign affairs on a motion for the Adjournment of the House.

THURDSAY 19 JUNE—Motions on Northern Ireland orders and consolidation measures. Details will be given in the *Official Report*.

FRIDAY 20 JUNE—There will be a debate on the arts on a motion for the Adjournment of the House.

MONDAY 23 JUNE—Until seven o'clock, opposition Day (11th Allotted Day) (2nd Part). There will be a debate on a motion in the name of the leader of the Liberal party. the subject for debate to be announced.

Second Reading of the Rate Support Grants Bill.

Debate on Tuesday 17 June:

Relevant documents

(a) 9630/84	*Marketing and testing of medicinal products.*
(b) 5752/86	*Marketing and testing of medicinal products.*

Relevant reports of European Legislation Committee

(a) HC 5-viii (1984-85), para 1 and HC 21-xix (1985-86), para 1

(b) HC 21-xix (1985-86), para 1

Northern Ireland orders to be debated on Thursday 19 June:

Northern Ireland Assembly (Dissolution) Order.

Northern Ireland Act 1974 (Interim Period Extension) Order.

Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No. 2) Order.

Consolidation Measures:

The Company Securities (Insider Dealing) (Northern Ireland) Order.

The Companies (Northern Ireland) Order.

The Business Names (Northern Ireland) Order.

The Companies Consolidation (Consequential Provisions) (Northern Ireland) Order.

Mr. Shore: We are grateful for the full day's debate on foreign affairs on Wednesday, but the Opposition believe that it is essential that the House should have the earliest possible opportunity to debate separately the report of the Eminent Persons Group on the crisis in South Africa and that is why we have given Opposition time next Tuesday. Will the Lord Privy Seal arrange for an early statement on the Eminent Persons Group report so that the debate can be fully focused upon the Government's response and future policy?

Secondly, in view of the exceptional constitutional importance of the European Communities (Amendment) Bill, with its further reductions of the powers of this Parliament and the removal of the unanimity rule as accepted in the Luxembourg compromise from a large part of the Treaty of Rome, will the right hon. Gentleman make it plain that there will be a further day's debate and that there will be no attempt to bulldoze through all its stages on Monday night?

Thirdly, the right hon. Gentleman replied favourably last week to the pressure from my right hon. Friend the Leader of the Opposition for a debate on the crisis in the tin mining industry and the effects of mine closures on communities in Cornwall. Can he now say whether time for that debate will be included in his next business statement?

Fourthly, the right hon. Gentleman will know of the widespread disappointment caused by the findings of the Lord Chancellor's consultation paper on family courts. The report's tone was certainly very negative. When will the House have an opportunity to debate that report?

Finally, on the important question of the restitution of private Members' time following the disgraceful manoeuvres that led to the loss of last Friday's business, can the Leader of the House now make that positive response that he referred to in my exchanges with him last Tuesday?

Mr. Biffen: I shall respond to those questions in reverse order. I am glad to say that, following discussions through the usual channels, I shall arrange for a motion to be tabled providing for private Members' notices of motion to take precedence over Government business until 7 pm one evening, and for a ballot to be held for those notices.

Perhaps the question of the Lord Chancellor's report can be examined through the usual channels.

I confirm that it is our intention that there should be a debate on the tin industry in the near future. However, I cannot give the guarantee sought by the right hon. Gentleman.

We shall have to see what progress we make with the European Communities (Amendment) Bill next week. But I quite understand the importance of the right hon. Gentleman's point.

Finally, I appreciate the co-operation that has been given to ensure that a full day's debate on South Africa can take place early next week. I shall draw the attention of my right hon. and learned Friend the Foreign Secretary to the question about the possibility of a statement.

Sir Anthony Grant (Cambridgeshire, South-West): Is my right hon. Friend aware that the whole House would very much welcome a debate on defence in the not too distant future? Presumably that opportunity will be afforded by the Liberal party on Monday, but should it absent-mindedly forget to provide it, will it be possible to have another debate, or to raise such issues in the foreign affairs debate on Thursday? Does my right hon. Friend realise that there is so much confusion in Cambridgeshire between the Liberals, the SDP and the Labour party that we do not know whether we are a nuclear-free zone. It is very worrying.

Mr. Biffen: My hon. Friend is perfectly correct to say that during the next few weeks there will be several occasions when defence can be debated in the House, and not least during the debate on the defence White Paper. I believe that on that occasion, nemesis will be awaiting the respective parties of the alliance.

Mr. A. J. Beith (Berwick-upon-Tweed): Is the Leader of the House aware of the very large number of university teachers who have come to the House today because they are concerned about the future of higher education? Will he find an opportunity in Government time to enable the Secretary of State for Education and Science to make a statement on his policies towards that sector of education and give him the chance to offer some new hope to an area that is of great concern to the future of our country?

Mr. Biffen: My right hon. Friend the Secretary of State has made the most excellent start in disseminating hope and confidence. I shall draw his attention to the fact that the Liberal party believes that a statement from him on the subject of higher education might add to that. We shall have to see how we go.

Mr. Derek Conway (Shrewsbury and Atcham): Will my right hon. Friend give an undertaking that the much exercised usual channels will do their best to bring together the Liberal and Social Democratic parties so that they use their day, on Monday 23 June, to debate defence policies? We could then examine in detail the so-called Commission defence report which was published yesterday, and question those hon. Members involved, if they manage to turn up, on paragraph 55, which urges Parliament to look 10 years ahead to new technology in preparing for defence, while paragraph 67 conveniently ducks the issue of an independent nuclear deterrent for Britain until after the next general election.

Mr. Biffen: The usual channels have proven and enviable powers, but it may be stretching them somewhat to suppose that they can secure what my hon. Friend wants from the two component parties of the alliance. But it would be more revealing if the Liberal party did not choose to debate defence on Monday 23 June than if it did.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the right hon. Gentleman aware that from today advertisements are being placed in newspapers up and down the country by disabled ex-service men who believe that they were disabled as a result of negligence while performing non-combatant duties? Those advertisements warn potential recruits to the armed force that they lose the right to sue for damages when they join the forces. They disclose facts and tell the truth, and I take it that the Leader of the House is in favour of disclosing the facts and telling the truth. As this dispute is escalating and we want service men to have those rights, may we have a debate next week?

Mr. Biffen: The right hon. Gentleman's dedication in this matter is well known and acknowledged. I will certainly draw the attention of my right hon. Friend the Secretary of State for Defence to the point that he makes, but I am afraid that I must disappoint him by saying that I cannot alter the order of business already established for next week.

Mr. Michael Shersby (Uxbridge): Will my right hon. Friend try to find time as soon as possible for a debate on the reform of the rating system based on the Green Paper "Planning for Local Government"?

Mr. Biffen: It is a matter of great significance which I am sure will detain the House at some point, and maybe in the not too far distant future, but, having a great sense of realism at this point of the parliamentary calendar, I must say to my hon. Friend that no provision is made for it next week and I doubt that it will be the week after.

Mr. Nigel Spearing (Newham, South): Has the Leader of the House read the display advertisement concerning the European Single Act on page 3 of *The Guardian* today? Is he aware that it is subscribed to by many of his hon. Friends, and by Lord Stoddard and Mr. Douglas Jay? In view of the fact that the Foreign Secretary has described some similar statements as constitutional fantasy, will he assure the House that there will be ample time for the House to decide whether the facts in the advertisement measure up to the description of the Foreign Secretary?

Mr. Biffen: I am sure that the hon. Gentleman will appreciate that for me there are other newspapers whose page 3 takes priority over that of *The Guardian*. I of course recognise the importance of the point that he makes, and obviously it will be germane to the debates that we shall be having next week.

Sir Eldon Griffiths (Bury St. Edmunds): Now that the court has reached its conclusion about the Brighton bomber and those others who sought to destroy innocent people across our country, will my right hon. Friend invite the Home Secretary to make a statement to the House about the police operation that led to the successful conviction of these persons, first, so that the House can express its congratulations to the police service on having achieved this victory against terrorism, and, secondly, so that we may consider maturely what further measures and resources may be required to ensure the proper protection of our citizens against terrorism?

May I also ask my right hon. Friend to negotiate with those on the Liberal Benches in respect of next Monday's business so that before 7 o'clock the Liberal sector of the alliance can offer us its policy and after 7 o'clock we may hear the different story from the other part of the alliance?

Mr. Biffen: I associate myself most warmly with the tribute that my hon. Friend has paid to the police concerning their role in the detection of the bombers. I note the point that he makes about the need for an adequate level of resources for this work. I think that I had better leave it there and say to him that I will, of course, refer his request for a statement to my right hon. Friend the Home Secretary.

I must admit that, as we move into the witching season of June and July, it is fascinating to dwell upon the irrelevances that are presented by the Liberal and Social Democratic alliance, particularly as their differences become the more acute and the more inflamed. I am sure that we will all have an entertaining time thinking about what they might have done and then thinking how poor and lacklustre is the performance against what could have been.

Mr. Donald Coleman (Neath): May I remind the Leader of the House again of the Association of University Teachers lobby of the House today? Will he arrange for a debate on the funding of the University of Wales? If that is not possible on the Floor of the House, could it be held in the Welsh Grand Committee?

Mr. Biffen: I take note of what the hon. Gentleman says. I realise only too well that it is a topic of great concern in the Principality, and I will refer his suggestion to my right hon. Friend the Secretary of State for Wales.

Mr. Robin Maxwell-Hyslop (Tiverton): Will my right hon. Friend ensure that the report of the Select Committee on Trade and Industry on the collapse of the tin industry, the Government's response to it and the Committee's observations on the Government's response are debated before the decision concerning the application by South Crofty, Pendarves and Wheal Jane is taken and announced rather than after the event? That is very important if Parliament is to perform its proper role.

Mr. Biffen: As my hon. Friend knows, I have indicated that I hope and expect there to be a debate on the tin industry in the fairly near future. I hope that he will excuse me from making a commitment as precise as he would wish.

Mr. Robert Parry (Liverpool, Riverside): Has the Leader of the House seen early-day motion No. 919 concerning the Iran-Iraq war?

[That this House welcomes the observation of 10th June as the International Day of Action to stop the Iran-Iraq war; supports the resolutions carried at the recent Non-Governmental Organisation International Conferece at Geneva to end the war; notes that the war has continued longer than World War II with the loss of more than a half a million people killed, the violation of international laws and the use of chemical weapons; commends the efforts of the United Nations, the non-aligned movement and the Islamic Conference to resolve the conflict; and calls upon Her Majesty's Government to use its influence at the United Nations and within the Council of Ministers to call for an immediate cease fire, the release of all prisoners of war and to emphasise on the occasion of the International Day of the Child the need for the protection of children of both countries, and to make particular use of the World Congress devoted to the International Year of Peace to be held in Copenhagen in October to promote the above-mentioned aims.]

May the House have an early debate on how we can initiate a ceasefire, bearing in mind the appalling loss of life on both sides, especially among children, in that war?

Mr. Biffen: The hon. Gentleman could take advantage of Wednesday's debate on foreign affairs, which will provide him with a better opportunity than any other to deploy his arguments.

Mr. Peter Viggers (Gosport): If, following the request by the right hon. Member for Stoke-on-Trent, South (Mr. Ashley), there should be a debate on the conditions of service for armed forces personnel, will my right hon. Friend bear in mind that the right hon. Gentleman has been less than fair to the current excellent conditions of service for those in the armed forces, especially as they can be compensated for injury whether or not they have been negligent in any act that caused the damage?

Mr. Ashley: That is not true—it is quite wrong.

Mr. Biffen: I note and appreciate the point made by my hon. Friend. Doubtless it could be considered if we were to have such a debate.

Mr. Dave Nellist (Coventry, South-East): Is there any prospect of an early debate on electoral law, during which we could consider early-day motion No. 943 headed "Bradford North and Conservative financial support for non-Conservative candidates."?

[That this House notes the touching concern of the Chairman of the Conservative Party for the selection of candidates by members of the Labour Party to fight the next General Election; wonders if such concern will again be translated into financial support for non-Conservative candidates, as with the late Lord St. Oswald, former Vice-Chairman of Mid-Yorkshire Conservative Association, and the Conservative candidate for Yorkshire West, in the first election to the European Parliament, who paid £2,500 of the election expenses of Ben Ford to stand as an independent in the 1983 General Election in Bradford North; and considers that the almost unprecedented unity of hysteria between the Chairman of the Conservative Party and the leader writers of the 11th June editions of The Guardian, Daily Mail, Sun, Daily Telegraph, Daily Express and Today, in opposing Labour's democratic choice of Mr. Pat Wall to fight Bradford North at the next General Election, shows that if that decision worries the establishment that much, it must be good for working people and their families.]

Might we not then have an explanation, from someone sufficiently high in the Tory party, about why the late Lord St. Oswald paid £2,500 of the electoral expenses of an independent to stand against the official Tory candidate?

Mr. Biffen: I feel unbriefed fully to deal with that point. May I suggest that, at least as an initiation into the subject, the hon. Gentleman raises the matter with the Home Office during Question Time?

Mr. Peter Bruinvels (Leicester, East): When will the House have a debate on the negative approach of Labour local authorities to unemployment, especially that of Leicester, which seems to take great delight in showing how many people are unemployed while carefully forgetting the number of people who have found work? Should not the House have an opportunity to correct the balance and show that under this Conservative Government many people have found work, and that the position is not quite the lies and untruths that the Labour party would have us believe?

Mr. Biffen: Every Thursday I begin to feel that Leicester is carved on my heart. I cannot offer an early prospect of Government time for such a debate, but my hon. Friend may wish to take the opportunity provided by Adjournment debates. However, I know that by raising the matter with me he ensures that the folk in Leicester truly appreciate that the position is as he so graphically describes it.

Mr. Greville Janner (Leicester, West): In spite of the unhappy juxtaposition of this question with that which has just been asked, I shall ignore the idiotic approach to the problems of the people of Leicester, where in parts of my constituency they face 60 per cent. unemployment.

May I ask the right hon. Gentleman, as he no doubt expected me to do, what has been the result of the investigation into the Nazi criminal activities of Dr. Kurt Waldheim and whether we are to have a statement about that before the debate on Wednesday? If the Foreign Office is considering United Kingdom representation at Dr. Waldheim's inauguration, on the same ground as the Prime Minister has sent a disgraceful message of congratulation—that it is normal so to do—perhaps the

right hon. Gentleman will bear in mind the very great regret felt on both sides of the House at the presence of United Kingdom representation at the inauguration of Chancellor Hitler in Germany in 1934?

Mr. Biffen: When I behold the sartorial elegance of the hon. and learned Gentleman, I realise that he represents gentrified Leicester and that my hon. Friend the Member for Leicester, East (Mr. Bruinvels) represents working Leicester. I think that the hon. and learned Gentleman might best hold his attention for the Adjournment debate on Friday in the name of the right hon. Member for Brent, East (Mr. Freeson), which I think will touch on the subjects that he has raised.

Mr. Derek Spencer (Leicester, South): Is my right hon. Friend aware of the misgiving that there is in many quarters, and not only in Leicester, about the political bias that is shown by various officers in local government? The Lewisham council has said only recently that it will employ senior officers only if they are wedded to the Labour party. Is my right hon. Friend aware also that the treasurer of Leicester city council, only a short time before the local authority elections, printed a letter in the *Leicester Mercury* seeking to explain and justify an 80 per cent. rate increase, and that he has added insult to injury by seeking to justify his original letter? Can my right hon. Friend tell us when we can expect some early legislation to prevent various areas of local government destroying themselves?

Mr. Biffen: I do not know what three Leicesters in a row means in the parliamentary jackpot. I have taken careful note of what my hon. and learned Friend has said. I put it in the context of a request for legislation, and I shall see that it is conveyed to my right hon. Friend the Secretary of State for the Environment.

Mr. Nicholas Soames (Crawley): Will my right hon. Friend make time available for the House to debate the excellent report from the Public Accounts Committee on the torpedo programme and the other procurement scandal, apart from Nimrod, that lurks within the Ministry of Defence? At the end of the day it is likely that the Tigerfish torpedo will cost even more money than the Nimrod programme. May we have an early debate on this vital waste of taxpayers' money.

Mr. Biffen: Perfectly properly, my hon. Friend raises a matter of major public concern. He will know that there is a recognised convention for responding to and debating PAC reports. I shall make investigations to ascertain when such a debate can be made available.

Mr. Michael Latham (Rutland and Melton): When *Hansard* appears tomorrow, will my right hon. Friend read the exchanges that took place during Question Time today on agriculture? Great concern was expressed by Conservative Members about the prospects of agriculture and the need for drastic policy changes in the year ahead. Is it not time that the House debated this issue properly?

Mr. Biffen: I had the privilege of being in my place and hearing my hon. Friend's most formidable question. I recognise that there is much interest in the present state of British agriculture and an interest in what the future may hold. I shall refer my hon. Friend's remarks to my right hon. Friend the Minister of Agriculture, Fisheries and Food, with the prospects of possibly having a debate.

Mr. David Sumberg (Bury, South): In the context of a call for a defence debate, may we have a debate on the ridiculous concept of the nuclear-free zone, especially as the Labour-controlled council of Bury has now declared my constituency to be a nuclear-free zone? Does my right hon. Friend accept that such a debate would give us an opportunity to condemn this wasteful and misleading statement in so far as it relates to my constituency?

Mr. Biffen: I am sure that my hon. Friend will be reassured to know that reasonably soon we shall be having a debate on the defence White Paper. I hope that he will then have the opportunity to make the pertinent point that he has put before us.

Mr. Ivor Stanbrook (Orpington): I think that everyone agrees that the present arrangements for considering Northern Ireland business in the House are inadequate. As the Government have now decided to abolish the only public forum for the expression of opinion in Northern Ireland, is there not an obligation on the Government to produce proposals for the more adequate consideration of Northern Ireland business in this place? Surely the Government should not rest upon the rather spurious and misleading invitation to Northern Ireland's political leaders to make approaches themselves. Is it not the Government's responsibility, having put Northern Ireland in this position, to bring forward proposals?

Mr. Biffen: My hon. Friend will appreciate that I cannot anticipate the statement that my right hon. Friend will make shortly. However, I remind him that the Assembly had no legislative role and, therefore, the law-making factors remain unaffected by any changes that might take place in the Assembly.

Mr. Richard Holt (Langbaurgh): I reinforce the remarks of my hon. Friend the Member for Orpington (Mr. Stanbrook). Is it not time that the House had an opportunity to debate the internal affairs of our country, as the American Congress has? Perhaps we would then have an opportunity to say to the Americans, "It is not your cheap conscience money we want; it is an extradition treaty."

Mr. Biffen: Discussion of the extradition treaty could be reasonably pursued in the foreign affairs debate on Wednesday. I assure my hon. Friend that the existing structures provide plenty of opportunities for making points about the Province as well as the foreign affairs aspects.

Mr. Michael Forsyth (Stirling): Will my right hon. Friend find time for the House to debate, as a matter of urgency, the activities of the Animal Liberation Front and other so-called animal rights groups which, according to articles in the *Daily Express*, are involved in creating cells in constituencies to carry out attacks on property and individuals, representing a serious threat to public order?

Mr. Biffen: My hon. Friend has raised a legitimate point. I suggest that, in the first instance, it might be an appropriate subject for an Adjournment debate.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): In view of the serious statement made by the Leader of the Opposition when he was in India about removing our immigration controls — the two Acts which we have introduced — and, ever-mindful that the Labour party granted two amnesties for illegal immigrants, much to the distaste of those who had entered

[Mr. Geoffrey Dickens]

the United Kingdom legally, will my right hon. Friend make time for a debate on that subject so that we can ask some awkward questions?

Mr. Biffen: I underline the importance of what my hon. Friend has said. It relates to a topic which is of major concern to the British public. There is no provision for a debate next week. I am sure that my hon. Friend realises the difficulties of providing time at this stage of the year, but I shall bear in mind what he has said.

Mr. David Harris (St. Ives): I underline the pleas made by my hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop) and by the right hon. Member for Bethnal Green and Stepney (Mr. Shore) on the tin crisis and the urgent need for a debate. I know that the Leader of the House does not want to be tied down to a precise date, but, when he considers the need for an urgent debate, will he bear in mind the fact that the Government have published their response to the Select Committee's report? More importantly, a shadow hangs over the far west of Cornwall, especially in the area I represent, as a result of the dire news about Geevor.

Mr. Biffen: I appreciate the point that my hon. Friend has made. I appreciate it all the more because, although his constituency is acutely affected by what is happening, he put it temperately. I cannot go beyond what I have already said. I shall look at the matter as sympathetically as I can.

Mr. Alan Williams (Swansea, West): I am glad that, however reluctantly and truculently, the Government have decided to restore last week's hijacked private Members' day. Does the right hon. Gentleman recollect that last Friday was not only a Labour Back-Bench day but specifically the day of my hon. Friend the Member for Linlithgow (Mr. Dalyell)? [HON. MEMBERS: "No".] It was indeed. He won the ballot to bring a matter before the House last Friday. If there is to be a new ballot, will the Leader of the House recognise that there is, at best, only a one in two chance that it will be a Labour Back Bencher who wins it and a less than one in 500 chance that it will be my hon. Friend the Member for Linlithgow? Will the right hon. Gentleman confirm that a motion reinstating the lost private Members' business can reinstate the ballot that has already taken place? If that is so — I believe that it is — will the right hon. Gentleman give an assurance that the motion will be so worded? If he will not, may we have an assurance from the Government Chief Whip, who so destructively and maladroitly organised last week's filibuster, that on this occasion he will exercise his Machiavellian powers to ensure that he keeps Conservative Members out of the ballot?

Mr. Biffen: I am disappointed at that somewhat less than generous riposte. Careful thought went into the wording of my response to the right hon. Member for Bethnal Green and Stepney (Mr. Shore). I do not think that there will be any advantage in my going beyond what I have already said.

Mr. Cecil Franks (Barrow and Furness): On a point of order, Mr. Speaker. It may have escaped the attention of the right hon. Member for Swansea, West (Mr. Williams), although I am sure that it did not escape yours, that three motions were tabled for debate last Friday. Apparently, the hon. Member for Linlithgow (Mr. Dalyell) gave his speech, albeit to members of the press in a Committee Room upstairs. May I suggest that the motion standing in the name of the hon. Member who held second place should be reinstated? Perhaps I should declare a personal interest, as that motion stood in my name.

Mr. Speaker: That is not a matter for me. I assure the whole House that the ballot will be conducted fairly.

Mr. Williams: Further to the point of order, Mr. Speaker. I am afraid that the Leader of the House, rather coyly and calculatedly, failed to answer the procedural point that was raised. I suggest, therefore, that it is a point for the Chair to consider. Will you confirm, Sir, that the motion, which is unusual, to restore the lost private Members' day could procedurally and legitimately reinstate the last ballot?

Mr. Speaker: Any motion that is tabled will say what it intends. I am not omniscient. I do not know what the motion will say.

Mr. Williams: But can it?

Mr. Speaker: It could, if it is tabled in that form.

Mr. Andrew Faulds (Warley, East): On a point of order, Mr. Speaker. Is it not unfair that the Leader of the House should be required to comment on an incorrect hypothesis? Is it not a fact that the hon. Member for Littleborough and Saddleworth (Mr. Dickens) made a totally incorrect assessment of what my right hon. Friend the Leader of the Opposition said in India?

Mr. Speaker: I do not know.

Northern Ireland Assembly

4.2 pm

The Secretary of State for Northern Ireland (Mr. Tom King): With permission, Mr. Speaker, I wish to make a statement about the Northern Ireland Assembly.

Under the Northern Ireland Act 1982 the present Assembly has two functions. The first is to consider and report on how a devolved Northern Ireland Administration should be formed. Secondly, the Act requires the Assembly to monitor and report on the policies and activities of the Northern Ireland Departments.

The task of making proposals on devolution was undoubtedly made much more difficult by the regrettable decision of members of the SDLP not to take their seats. The Assembly has not been able to come forward with agreed proposals and there is no present prospect of that occurring. As for the monitoring of the Northern Ireland Departments, the Assembly suspended this work on 5 December. In spite of clear warnings about the threat that this action would pose to the continuation of the Assembly, the Unionist parties have not been prepared to resume this function. As a result, the Alliance party withdrew from the Assembly since it believed that there was no longer any useful role to be played.

On 13 March the Assembly formally resolved not to carry out its monitoring functions, to wind up the Devolution Report Committee, and merely to meet one afternoon a week for a debate on aspects of the Anglo-Irish agreement.

The position, therefore, is that the present Assembly, charged under the Northern Ireland Act 1982 with two important functions, is now discharging neither. As long ago as last December in this House, I warned that if the Assembly continued the suspension of its scrutiny role for long, questions about its future would inevitably arise; and on 1 May and 19 May I repeated this warning. On 27 May I invited the leaders of the main parties in the Assembly to discuss with me the position of the present Assembly. The leaders of the two main Unionist parties refused even to talk about it. I regret that I have therefore had to reach my decision without hearing their views.

The decision I have now taken is to lay an order today for the Assembly's dissolution under the powers in section 5(1) of the Northern Ireland Act 1982. This order will come before the House for debate under the affirmative procedure. In taking this step I would make the following points. The present Assembly would in any case reach the end of its normal life on 20 October. There would then automatically within six weeks be fresh elections for a new Assembly. The effect of this order is not to abolish the legal basis for an Assembly but simply to dissolve the present Assembly and to leave open the date for a new election for a fresh Assembly.

I wish to emphasise to the House that dissolution of the present Assembly in no way conflicts with our desire for devolved government, nor our commitment to the Anglo-Irish agreement. Devolution remains the Government's preferred option, and I hope that we may see a future Assembly playing a responsible and valuable role in the Province. The sooner that happens, the better.

Meanwhile, the Government remain ready to discuss with all the constitutional parties in Northern Ireland the best way forward. In particular, I would urge the Unionist parties to return to this House to argue their case and to take up the offer of my right hon. Friend the Prime Minister to discuss with her the four matters proposed: namely, devolution and the possibility of a round table conference; the future of the Assembly; arrangements for handling Northern Ireland business at Westminster; and new means of consultation between the Government and Unionist leaders.

Only if we are prepared to talk together and discuss these matters can we hope fully to play our separate but complementary roles in building a better future for the people of Northern Ireland.

Mr. Peter Archer (Warley, West): Does the right hon. Gentleman appreciate that his statement will hardly burst on the world as a surprise and will occasion neither joy nor regret? The Assembly was

> "A maid whom there were none to praise
> And very few to love".

As there was no one left who both attended and used it for the purpose for which it was established, it is only seemly that it should be laid to rest in peace, and on another occasion we can pay tribute to those who at least tried.

Does the right hon. Gentleman appreciate that missing from his statement is any positive proposal either for the immediate future or for the longer term? As he reminded us, the Assembly, when it functioned, played a role in scrutinising the Northern Ireland policies that came before the House. Has he now grasped that that role must be assumed more effectively by the House? Will he consider how to make greater use of the Northern Ireland Committee? Can he persuade the Government's business managers to treat Northern Ireland business less contemptuously and to arrange debates at less bleak hours?

More importantly, does the right hon. Gentleman understand that the people of Northern Ireland will see his statement as pronouncing the obsequies on yet another institution which they were once told offered hope? Where are they now to turn for that?

Will there not be those who seek to represent the expiry of the Assembly as a consequence of the Anglo-Irish agreement? The people of Northern Ireland will consider it worth the price if the agreement makes a measurable contribution to their livelihoods, environment, community services and civil liberties. If these benefits are seen to arise from discussions and co-operation between North and South, Catholic and Protestant, may not the people themselves denounce the bickerings of their politicians?

When the House debates the matter more fully, will the Secretary of State, if he can, give an account of the positive side of the balance sheet, or, if not, give an indication of how long we must wait? If people cry for bread and they are given a stone, can we be surprised if they turn in despair to the demagogues, the bullies and the witch doctors?

Mr. King: It is true that my statement can hardly come as a surprise, because I gave the clearest warnings that, if the Assembly did not discharge the functions for which it was set up, its continuation would obviously be brought into question. That is precisely what has happened.

It would be unfortunate if it were not recognised that I regard this very much as a lost opportunity because—certainly in respect of the scrutiny role—there is no

[Mr. King]

doubt that the Assembly and its various committees were doing some useful work. I especially regret that the decision was made to discontinue those responsibilities.

The right hon. and learned Gentleman spoke about the way in which Northern Ireland business is handled in the House. The Government have made clear their readiness to sit down and talk. The Government are often accused of not having enough consultation. I hope that we can sit down with all parties in the House, and with those who ought to be here and are not present in the numbers that they should be, to discuss ways in which we might meet those concerns.

I must correct the right hon. and learned Gentleman in one important aspect. I was in no sense pronouncing obsequies on the Assembly. I was making it clear that this Assembly is no longer fulfilling a useful function, but I hope that it will be possible to see a new Assembly which can move forward on a new basis.

Mr. Julian Amery (Brighton, Pavilion): I hope that I shall not embarrass my right hon. Friend by expressing my support for the decision he has just announced. Would he be gracious enough to acknowledge that a number of his right hon. and hon. Friends kept the House up late at night warning that the Assembly would not work? In saying, "We told you so," may I express the hope that he and his colleagues will pay rather more attention to our views on Northern Ireland policy than they have hitherto?

Mr. King: I hope that I can assure my right hon. Friend that I shall contain my embarrassment at that expression of support. I shall, of course, wish to take his views fully into account with the respect that I know he would wish to receive.

Mr. J. Enoch Powell (South Down): Is the right hon. Gentleman aware that in 1982 the two main Unionist parties, as they were then represented in the House, opposed the legislation establishing this Assembly with all the resources that parliamentary procedure admitted? Will he acknowledge that the judgment of those Conservative Members who supported us in our endeavour to prevent that mistake being made has been validated by the statement he has now found it necessary to make?

Mr. King: I do not agree with the right hon. Gentleman, precisely for the reasons I gave in part of my answer to the right hon. and learned Member for Warley, West (Mr. Archer). I think that the Assembly proved that it could discharge a useful role. It is important that people in Northern Ireland should feel that they have much more of an immediate say in the administration of the Province. I say that as somebody who, under the present structure, exercises a degree of power and authority which, in a democracy, raises difficult issues. I would much rather see a situation in which there was greater authority and responsibility for those in the Province. It is unfortunate that the actions of some members of the Unionist parties have prevented the Assembly from discharging its proper functions, but I hope that we will see a day when that can be done.

Sir John Biggs-Davison (Epping Forest): Since the abolition of the Northern Ireland Parliament we have had about as many short-lived successive assemblies as in the French revolution. May I ask whether Her Majesty's Government will now declare a moratorium on assemblies and on political initiatives, including the Intergovernmental Conference, and concentrate on the conduct of parliamentary business as befits a Province of the United Kingdom and the good government, administration and local government of Northern Ireland?

Mr. King: My hon. Friend would not necessarily expect me to agree with all that he has said. However, I welcome the fact that he is prepared to express his views and argue for them, and I welcome the opportunity, which I have from time to time, to discuss them with him. I hope that he will join me in urging everybody who is interested in the affairs of the Province to come forward and have the confidence to argue their views as well. That must be the right approach, and I hope that the House will support me on that.

Mr. Ian Gow (Eastbourne): Does my right hon. Friend accept the paradox between his announcement of the suspension, if not the death, of the Assembly, one of the principal tasks of which was to present proposals for devolution for the Province, and the passage in his statement in which he said that the preferred choice of the Government was still devolution? Would he acknowledge that, even if that is the preferred solution of the Government today, he will not exclude from his consideration the fact that we should govern Northern Ireland in the way in which we govern other parts of this kingdom?

Mr. King: That begs many questions which need considerably more discussion. Obviously we would seek to govern Northern Ireland as fairly, equally and impartially as we seek to govern every part of the United Kingdom. However, to suggest that that involves total harmonisation of every structure of government flies in the face of experience and practice of the present situation. What it does emphasise—I say this fairly to my hon. Friend and I pay tribute to him because I know that he disagrees with the policies we have recently pursued and honourably took the course that he did in the matter — is that he is prepared to stand up and argue his views. Above all, at present we need people in Northern Ireland who are prepared to have the courage to argue their case in debate and not to fly from this Chamber. They should be prepared to come here and argue for what they believe is the best way forward. That is what I hope to see, and I know that my hon. Friend will support me on that.

Mr. John Hume (Foyle): I can hardly shed any tears over the Secretary of State's announcement today, which is long overdue. I simply repeat our willingness as a party to accept his invitation to sit down and discuss with the Unionist parties devolution or any other matter pertaining to peace and stability in Northern Ireland. Since Unionists in Northern Ireland seem to fear the future more than anything else, the SDLP would welcome the opportunity to talk to them and explain and set out in detail its strategy and view of the future. We would like to hear from them what in that strategy in any way threatens the people they represent and we would also like to hear, for a change, their view of the future.

Mr. King: I am grateful to the hon. Gentleman for his comments. He will have noted in my statement my regret about the previous attitude of the SDLP. Perhaps part of the reason for the statement today goes back to the failure

of his party to take part at that time. Therefore, it is certainly an advance in the sense that there might by an opportunity for all the constitutional parties in Northern Ireland to be prepared to sit down and talk constructively.

To cover a point that perhaps I did not answer in the question of my hon. Friend the Member for Eastbourne (Mr. Gow), that is perhaps part of the reason why it is worth making a further attempt to try to achieve devolved government.

Sir Adam Butler (Bosworth): Does my right hon. Friend accept, from my experience as a Minister on the receiving end, that the Assembly did some valuable work in fulfilling its scrutinising role? Does he also agree that perhaps the main lesson from the demise of the Assembly is that if there are those who refuse to participate in the constitutional processes available to them, it serves only to give heart and encouragement to the men of violence? As long as the Unionists continue their boycott on similar lines, they will not only do no good to themselves but will push the peaceful resolution of the Northern Ireland problem further away.

Mr. King: I am grateful to my right hon. Friend, especially with his experience of Northern Ireland, for the tribute he paid to the work done by the Assembly in its scrutinising role. It was a great pity that it chose to discontinue that role. I certainly agree that if a vacuum is left because of people's inability to sit down and discuss the problems frankly and openly and try to find a way forward, traditional to our parliamentary democracy, by argument and debate, it will be a dangerous vacuum into which others may walk.

Mr. Stephen Ross (Isle of Wight): Is the Secretary of State aware that, unlike many Conservative Members who have spoken so far, we share his disappointment at the demise of the Assembly but think that in the circumstances he has taken the right decision? Is he further aware that we share his hope that we will see a new devolved Assembly with all parties of good will serving in it? That is the only way in which the economy of the people of Northern Ireland can be put on better lines. Is not now the time to set up a parliamentary tier between this House and Dublin?

Mr. King: I am grateful to the hon. Gentleman for his opening comments. Some hon. Members seek no initiative, but to preserve the status quo. I find it unsatisfactory to have nothing between the Secretary of State and local authorities, the powers of which are not much in excess of a parish council. *[Interruption.]* That problem may be tackled in a number of different ways. I make no apology to the House for repeating that what is true, above all, is that we shall not begin to find the best solution unless people are prepared to sit down and talk the problem through. The present position is not a long-term solution. I regret the announcement that I have had to make today, but I hope it may provide the opportunity for discussions to start soon on a better way for the people of Northern Ireland to have more say in the administration of the Province. We are certainly willing to consider ways in which there could be a better interchange with the Republic.

Mr. Michael McNair-Wilson (Newbury): Bearing in mind that the chance of the Assembly being revived in the near future is small, is this not the ideal moment to set up the Royal Commission, which should perhaps have been set up in 1980, to consider the structure of local government in Northern Ireland? When considering that, will my right hon. Friend also bear in mind that local government in Northern Ireland has always been unequal when compared with the rest of the United Kingdom, and that that way forward would not be obstructed by the road block created by politicians who refuse to get together?

Mr. King: At present I have no proposals for that particular approach. I would rather see direct discussions taking place. I appreciate that my hon. Friend has once again made a constructive proposal in an attempt to see a way forward in this matter. That must be the right approach. There is a range of different ways. Although I am not instinctively inclined to his suggestion, I recognise that it is a serious proposition.

Mr. Alfred Dubs (Battersea): While I understand the reasons for the Secretary of State's statement this afternoon, may I urge him to resist as forcibly as possible the blandishments of Conservative Members below the Gangway, that a do-nothing policy is best for Northern Ireland? What does he intend to do about the Anglo-Irish parliamentary tier? We have raised that matter on many occasions and time and again the Government have said that it is a matter for the House. The right hon. Gentleman knows, and we know, that it not possible for us to make any progress unless he backs that proposal. I urge him to do so and to give us a date when we can get on with the task of establishing the parliamentary tier, which is part of the agreement and is a desirable feature of the relationships between Britain and both parts of Ireland.

Mr. King: I have never regarded any comment from my hon. Friend the Member for Newbury (Mr. McNair-Wilson) as a blandishment. His serious interest in these matters could never be described as such. I know that the hon. Gentleman does not want me to give this answer, but the parliamentary tier must be a matter for the House to consider. I know that my right hon. Friend the Leader of the House has made that position clear.

Viscount Cranborne (Dorset, South): Does my right hon. Friend accept that the spirit in which the Assembly was introduced to the House was the same spirit in which the Anglo-Irish agreement was introduced? Is there any guarantee that the agreement will not suffer the same fate as the Assembly? Is not a more sensible approach—this has been suggested to my right hon. Friend several times this afternoon — to pursue parliamentary forms of government in Northern Ireland? In that context, will he consider setting up or advising the setting up of a Northern Ireland Grand Committee?

Mr. King: I see no similarity between those two items. These matters can be looked at seriously. We have made clear our willingness to consider the arrangements in the House, but we must also consider the administration of government in the Province. It is a great fallacy to assume that one can simply change the arrangements in this House in isolation, without also considering the arrangements for administration in the Province. At present very little lies between Ministers in the Northern Ireland Office and councils, most of which sadly are not meeting, and which have little more power than parish councils. We must consider the totality of the problem.

Mr. Robert Parry (Liverpool, Riverside): Does the Secretary of State believe that the statement today will help to reduce violence in the Province, bearing in mind that we are now fast approaching the marching season?

Mr. King: It is widely recognised in the Province, and by many responsible politicians, that, sadly, the present Assembly is no longer discharging a useful function and that it is not helpful in present circumstances. Many of those who believe in devolution and the concept of an Assembly think that the state of the present Assembly is a positive blockage to considering the form of a new and effective Assembly and how it could work. I hope that that will be recognised. I see no reason why the absence of the Assembly should lead to an increase in tension, especially as it was about to go into recess for the summer.

Mr. Nicholas Budgen (Wolverhampton, South-West): Will my right hon. Friend undertake to issue a White Paper so that the House may be reassured that the aggressive English liberals in both the Northern Ireland Office and the Foreign Office will not attempt a similar expensive, dangerous and destabilising experiment, at any rate within the next decade?

Mr. King: I am grateful to my hon. Friend for the typically unpejorative way in which he puts his question. I do not want to issue a White Paper now, precisely because I want first to hear the views of those most involved. Rather than trying to lay down the matter in tablets of stone at this stage, I should like to talk to people and hear their views. In the absence of any contribution from those who have been elected to represent the people in the Province and in their continuing refusal to express any views whatever on behalf of their constituents, we may have to consider a step such as that suggested by my hon. Friend.

Mr. David Winnick (Walsall, North): Is not the fallacy of the argument advanced by many Conservative Members today that Northern Ireland is just like any other part of the United Kingdom? Was not the signing of the Anglo-Irish agreement a recognition by the Government that Northern Ireland is indeed different? It is about time that Conservative Members recognised that position. If the Unionists continue their present tactics of obstruction, boycotting the House, and so on, will not many people come to the same sort of conclusion as that illustrated in the question by the hon. Member for Banbury (Mr. Baldry) to the Prime Minister today — namely, that many people will get so fed up with Northern Ireland and its problems and with the refusal of politicians to accept any possible agreement that they will shrug off the problem and conclude, on balance, that there is no positive role for Britain to play?

Mr. King: That would be a tragic and defeatist approach to the genuine problems that exist in Northern Ireland and a betrayal of all those who live there, who are part of the United Kingdom and who are entitled to good government. Obviously, all parts of the United Kingdom are not identical. The many areas, while all being part of the United Kingdom, are different. The arrangements in the House for handling Scottish affairs are different and the arrangements in Northern Ireland are different. I make no apology for emphasising that point.

Sir Eldon Griffiths (Bury St. Edmunds): I agree with my right hon. Friend that a properly elected democratic Assembly is an essential part of the local government of the Province, but may I ask for his assurance that it is in the best interests of the Union that until civil peace is restored in Northern Ireland, there can be no devolution of responsibility for the enforcement of the law, the administration of justice and the upholding of internal security?

Mr. King: I should like to make it absolutely clear that we support the point made by my hon. Friend. There could clearly be no question of devolution on those matters unless there was a considerable basis of confidence, perhaps at an earlier stage with experience of devolved administration in other areas more traditionally associated with devolved government.

Mr. Merlyn Rees (Morley and Leeds, South): In the face of a divided Northern Ireland, where 2,500 people have died and more than 30,000 have been injured by the violence and where the Northern Ireland (Emergency Provisions) Act has been in force for 10 or 12 years, does the Secretary of State accept that to continue to talk about devolution is a pipe dream and, equally, to talk about integration is also a pipe dream? If both sides in Northern Ireland will not sit down and talk with the Secretary of State—I wish that they would—they should be asked to sit down together without hon. Members being present and, if nothing results from that—which is likely—we should completely reassess our policy towards Northern Ireland. Perhaps only that thought will concentrate the minds of people in the Province.

Mr. King: The House respects the right hon. Gentleman's considerable experience on these matters. I listened carefully to his comments. He has had experience along this path and knows the difficulties that exist. It might be fair to say that the concentration of minds to which he referred at the end of his question, has followed in part after the Anglo-Irish agreement. In the coming months it might be possible to see more interest in the idea of sitting down and talking.

It is true that those matters upon which agreement could be reached would be removed, and the Anglo-Irish agreement would cease to operate on those points. There is, therefore, clearly an interest among those parties opposed to the Anglo-Irish agreement to see whether certain matters can be removed from the ambit of the agreement.

Mr. James Prior (Waveney): Is my right hon. Friend aware that for those of us who have a deep and abiding commitment to all the people of Northern Ireland, this afternoon's announcement must come as a disappointment? Is he further aware that others, like myself, do not believe that integration is the answer to the problem? In the United Kingdom's interests there must be devolved government some time in Northern Ireland, if not now. The SDLP more than any other party, which has achieved significant success through the Anglo-Irish agreement, should play its part by helping to bring about an Assembly in Northern Ireland. That would be a great advantage to the unionists, because the more the Assembly could do, the less the Anglo-Irish agreement would have to operate. Does that not afford some way forward? Is it not right that the House should always seek some way forward to resolve a problem which is not new, which will not go away, and which it is our duty to solve?

Mr. King: I am grateful for my right hon. Friend's comments. I share the feeling of sadness at the necessity of having to make the announcement today. I understand that the concept that he launched was well worth pursuing and had shown merit. It was a tragedy that the SDLP did not take part, and that posed difficulties. I know that the hon. Member for Foyle (Mr. Hume) understands why my right hon. Friend the Member for Waveney (Mr. Prior) made the comments that he did. I hope that the idea launched by my right hon. Friend will be carried forward in a new form in future.

Several hon. Members *rose*——

Mr. Speaker: Order. I appreciate the interest of the House in these matters. However, there is pressing business to come. I shall allow questions to continue for another seven minutes, after which we must proceed to the next business. I hope that by then all hon. Members will have been called—if they speak briefly.

Mr. Jerry Hayes (Harlow): Does my right hon. Friend agree that it is regrettable that the House has heard some distasteful crowing about his announcement this afternoon? People should be looking to the future. Perhaps this drastic measure—which will be debated on another day — might concentrate the minds of all parties in Northern Ireland and force them to sit down and negotiate. That is the only way to keep the peace in the Province.

Mr. King: It is clear that we must make progress. The danger is that people talk in slogans — perhaps I am guilty of this also—about devolution or integration, and they do not consider the problem as a whole — the relationship of this House with the Province and the problems of the Province's administration. We must consider the totality of these problems and find a basis on which we can go forward which will command the widest possible acceptance among people in the Province. We know the difficulties. We realise that so far that has been unachievable. The House must try to find the correct approach. I will try to do that.

Mr. Patrick Nicholls (Teignbridge): Does my right hon. Friend accept that by raising even now the spectre of devolution at some future date, he is turning his face away from the only lesson that can be learnt from the inevitable demise of the Assembly — that devolution in Northern Ireland will never work? It will never work because neither the minority community nor a United Kingdom Government will accept that the ballot box in Northern Ireland will always, for the foreseeable future, produce a Unionist majority. Faced with those inevitable facts, can he say whether there is a realistic way forward, other than the integration, on suitable terms, of the Province into the local government and parliamentary structure?

Mr. King: My hon. Friend glides easily with a wave of the wand from the problems of achieving devolution to integration, as if that was immediately achievable on some acceptable basis. He greatly underestimates the problems that that would pose. I have made it clear, and my right hon. Friend the Prime Minister has made it clear to the Unionist leaders, that, while we remain committed to the principle of devolution, we are also prepared to consider the ways in which Northern Ireland business is handled in this House. These matters require serious discussion. I hope that my hon. Friend the Member for Teignbridge (Mr. Nicholls) will lend his shoulder to the wheel and try to get people to join in these discussions.

Mr. John Mark Taylor (Solihull): Does my right hon. Friend agree that if Northern Ireland is to be governed in the same way as the rest of the United Kingdom, as many Unionists would urge, one of the first requirements must be to have county councils or a provincial council? Does he accept that he has now abolished the elected Assembly which could have adopted that role? If he were to use the introduction of county councils or provincial government as a point of departure, what guarantee is there that everyone will sit in the chamber?

Mr. King: That is the point that I was making. My hon. Friend has understood the point that the present Assembly comes to the end of its life on 20 October, at the end of its four-year term. However, it has ceased to discharge the functions for which it was set up. There is no question but that the Assembly could have moved on in the direction that my hon. Friend has mentioned. I hope that we can have discussions to discover whether it is possible to move in any way along the lines that my hon. Friend has described.

Mr. John Stokes (Halesowen and Stourbridge): Will my right hon. Friend be assured that, in spite of the natural and inevitable impatience in England about affairs in Ireland, many English people hold the Province in great esteem? They remember its wonderful contribution in both world wars. The English people wish it well. I believe that our best efforts must be directed towards improving parliamentary and local government in the Province, not to have too many new initiatives here.

Mr. King: Everyone who has had the honour to serve in Northern Ireland would share the comments made by my hon. Friend at the start of his question. Our recognition and appreciation of the quality of the overwhelming majority of the people in the Province is completely unquestioned. That is why we are so committed to trying to find the most acceptable way in which to proceed and to give the people of Northern Ireland as substantial a say as we can in their administration.

Mr. Michael Brown (Brigg and Cleethorpes): Does my right hon. Friend agree that whatever our views on the Northern Ireland Assembly previously, the most important conclusion that any hon. Member representing Northern Ireland should draw from today's announcement is that, whatever their views and however aggrieved they may feel, this is now the central forum for political debate?

Mr. King: One of the comments that may be made about my statement today is that the Government are in some way seeking to choke or close off channels of communication and expression. That charge falls flat when one sees the Benches opposite and realises that one of the most important channels open to anyone in this United Kingdom is this Chamber. Nevertheless, the House is completely neglected and unused by the overwhelming majority of Unionist Members. They are abusing district councils at the same time. They are failing to use the channels that are available to them. I very much agree with my hon. Friend.

Mr. Kenneth Carlisle (Lincoln): Does my right hon. Friend agree that the failure of the Assembly is to be regretted, because it provided a local forum in Northern Ireland where the various parties could try to resolve their differences? Does he also agree that no actions or words in this House can thrust peace on Northern Ireland? Does he accept that peace can be achieved in the Province only if all parties there genuinely wish to talk and reach some accord on future life and prosperity there?

Mr. King: I very much agree with my hon. Friend. There is no doubt that if we are to find a way forward, the people in the Province and their representatives will have to be prepared to come forward and make their contribution.

Mr. Neil Hamilton (Tatton): Is if not clear from the SDLP's attitude to the Assembly and a comparison of that attitude with its attitude to the Anglo-Irish agreement that it is prepared to support Government initiatives only when it calculates that they are likely to weaken the Union? That should be enough to make us view with suspicion any initiatives that it supports. Did not my hon. Friend the Member for Teignbridge (Mr. Nicholls) put his finger on the central point about experience in Ulster in the past 16 years? The attempt to reconcile two irreconcilable opposites merely by talking will never succeed. The time has come to allay Unionist fears by moving towards proper integration of the Province, ceasing to govern it as a colonial dependency and treating it properly as part of the United Kingdom.

Mr. King: I am not sure that an agreement which gets the British Government and the Government of the Republic of Ireland to sign an undertaking which was originally given in this House, concerning the rights of the Unionist majority in Northern Ireland, represents consent to the right to dominate. Membership of the United Kingdom is an important safeguard. I do not regard that agreement as weakening the Union in any way. As for integration, I do not have much to add to what I have already said. I am anxious to deal with affairs in the House, and especially to get hon. Members to focus on the real problem of administration in the Province.

Mr. William Cash (Stafford): Does my right hon. Friend agree that the most important thing is to take the politics of Ireland off the streets and into the debating chamber? I have consistently advocated a Select Committee. That would help. Will my right hon. Friend consider it? In such a forum, members of the SDLP, Unionists and others who represent the rest of the United Kingdom could, in a proper constitutional framework, scrutinise legislation in a calm atmosphere, which would, I hope, enable progress to be made.

Mr. King: I am interested in that suggestion. The right hon. Member for South Down (Mr. Powell) made just such a one in the debate on the appropriation order earlier this week. I confirm that that is the type of matter that my right hon. Friend the Prime Minister said we would be prepared to discuss.

Mr. Peter Bruinvels (Leicester, East): I accept that the Assembly has been used improperly. It has been used as a political platform against the Anglo-Irish agreement. I have some sympathy with that, but will my right hon. Friend consider the role of the Democratic Unionist party, which has threatened to take politics on to the streets rather than pursue genuine debate? Will he consider the £2·5 million that it costs to run the Assembly? Could it not be better used helping the economy and providing jobs to encourage the people of Northern Ireland who want to remain part of the United Kingdom?

Mr. King: The Democratic Unionists must answer for their own utterances, but I hope that everybody will show responsibility at a time when problems can easily arise in Northern Ireland. One cannot sit back and do nothing if expenditure is being incurred when none of the functions for which it is authorised are being performed. Bearing in mind the state of the Northern Ireland economy, there are several areas where the money could be much better used.

Mr. Stuart Bell (Middlesbrough): Does not the fact that the Assembly is now to be dissolved and there is no progress towards devolution mean that there is an added burden on the Anglo-Irish agreement? Does the right hon. Gentleman agree that, under article 10 of that agreement, there will be a responsibility to promote co-operation between the two parts of Ireland, so there is an additional responsibility on the agreement? Does he also agree that it ill behoves those who do not come to the House to presume that, by their actions in Northern Ireland and laying the Assembly to rest, they can somehow achieve back door integration? Will he confirm that there is nothing mutually exclusive about the Anglo-Irish agreement and round table talks on the future of Northern Ireland without preconditions?

Mr. King: I believe that talks without preconditions must be the way forward. I am grateful to the hon. Gentleman for making that clear. One component of the Anglo-Irish agreement is the opportunity for the minority to be able to advance its views. In no circumstances was the Anglo-Irish agreement intended to supplant the opportunity for the majority view to be taken into account. The present tragedy is that the majority representatives have chosen to switch themselves off.

Leyland Bus

4.47 pm

Mr. D. N. Campbell-Savours (Workington): As the House is aware, when the Government feel unable to make a statement on a matter of national importance and urgency, hon. Members have the right to apply for a private notice question. This morning, British Leyland made an announcement to its work force, and it was not possible, for obvious reasons, for the Government to make a statement. I felt that it would be wrong to apply for a private notice question, although the matter is most urgent, because of the tragic circumstances that have befallen the Channon family and because the Secretary of State would have been required to answer the private notice question if you, Mr. Speaker, had granted it.

I therefore beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing an important and specific matter, that should have urgent consideration. It is specific because it relates to the affairs of Leyland Bus and important because it concerns a large manufacturing company with nearly 3,000 employees at three locations in the United Kingdom — Lowestoft, Farringdon, near Preston, and Workington.

The matter is urgent, as I have already described. At midday today, British Leyland announced that the company will no longer be known as British Leyland plc but as Rover Group plc. BL will no longer exist. The Leyland name will be retained for commercial vehicle interests only. Through its advisers, Hill Samuel, BL today informed the three parties which have expressed interest in acquiring Leyland Bus that it is inviting offers from them for the entire business on the basis of a tender procedure. We should debate the issue because we need to know whether it is a sealed bid basis.

Tenders are to be delivered to Hill Samuel by 26 June, after which time the BL board will consider them and submit a recommendation to the Government, as the majority shareholder, as soon as possible. The three prospective purchasers are Aveling Barford, the Laird Group and Leyland Bus management consortium.

It is also proposed to establish Leyland Bus as a registered limited company with its own business before any sale. That has not been known hitherto. The company aims to keep the current parts business intact. It is planned to achieve that by selling to the purchaser of Leyland Bus an interest in Leyland parts. The effect will be to leave the loss-making Leyland Bus group free-standing without any support from Leyland parts operations. It means that what remains will be ripe for asset stripping. I earnestly implore you, Mr. Speaker, to allow those matters to be raised under Standing Order No. 10.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"The statement today made by British Leyland about the future of Leyland Bus."

I have listened carefully to what the hon. Gentleman has said, but I regret that I do not consider the matter that he has raised as appropriate for discussion under Standing Order No. 10, and therefore I cannot submit his application to the House.

BALLOT FOR NOTICES OF MOTIONS FOR MONDAY 7 JULY

Members successful in the ballot were:

Mr. Kenneth Carlisle
Mr. Robert Kilroy-Silk
Mr. Robert McCrindle

BILL PRESENTED

RATE SUPPORT GRANT

Mr. Secretary Ridley, supported by Mr. Secretary Edwards, Mr. William Waldegrave and Mr. Norman Lamont, presented a Bill to validate certain block grant determinations already approved by the House of Commons; and to clarify and amend the law relating to rate support grants: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 177.]

Orders of the Day

Financial Services Bill

As amended (in the Standing Committee), further considered.

New Clause 12

JURISDICTION AS RESPECTS ACTIONS CONCERNING DESIGNATED AGENCY ETC.

'(1) Proceedings arising out of any act or omission (or proposed act or omission) of a designated agency, transferee body or the competent authority in the discharge or purported discharge of any of its functions under this Act may be brought in the High Court or the Court of Session.

(2) At the end of Schedule 5 to the Civil Jurisdiction and Judgments Act 1982 (exclusion of certain proceedings from the provisions of Schedule 4 to that Act which determine whether the courts in each part of the United Kingdom have jurisdiction in proceedings) there shall be inserted—

"*Proceedings concerning financial services agencies*

10. Such proceedings as are mentioned in section *[Jurisdiction as respects actions concerning designated agency etc.]* of the Financial Services Act 1986.".'. — *[Mr. Howard.]*

Brought up, and read the First time.

4.50 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Michael Howard): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient also to discuss the following: Government amendments Nos. 27 to 31, and 88 to 92.

Amendment No. 175, in page 142, line 35, at end insert —

'(7) If the agency is a limited company incorporated in England, it must establish a place of business in Scotland or take such other steps as will render it amenable to the jurisdiction of the Scottish Courts.'.

Government amendments Nos. 182 and 231.

Mr. Howard: A number of hon. Members have written to me about points which were raised by the Law Society of Scotland concerning the Bill. I am grateful to the society for the detailed consideration which it has given the Bill. The Government have always made it clear that the Bill would take account of the differences between the English and the Scottish financial and legal systems and that amendments would be tabled to fulfil this commitment.

The new clause is designed to remove doubts as to whether actions could be brought against a designated agency, transferee body or competent authority in a part of the United Kingdom in which it did not have a place of business, or a registered office. There was particular doubt about whether any such organisation could be subjected to the jurisdiction of the Scottish courts. The Government have decided to bring forward this new clause which makes it clear that action against the relevant bodies may be brought in the courts in any part of the United Kingdom.

The other amendments are mainly technical and designed to bring certain of the provisions in the Bill into line with the procedures and terminology used in the Scottish legal system.

The aims behind the amendment tabled in the names of the right hon. and learned Member for Monklands,

East (Mr. Smith) and the hon. Member for Dagenham (Mr. Gould) are I believe already achieved by the Government new clause.

Mr. Alex Fletcher (Edinburgh, Central): Will my hon. and learned Friend confirm that it has always been the intention of the Department and its Ministers — even before his tenure of office — to ensure that the differences in Scottish law are catered for in the legislation?

Mr. Howard: No one will know better than my hon. Friend that that is the case. We owe much to my hon. Friend for his achievements in respect of this legislation. I am happy to confirm that the intention was always as he stated it to be.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 13

OFFERS OF SHORT-DATED DEBENTURES

'As respects debentures which, under the terms of issue, must be repaid within less than one year of the date of issue —

(a) section 79(2) of the Companies Act 1985 (offer of debentures of oversea company deemed not to be an offer to the public if made to professional investor) shall apply for the purposes of Chapter I of Part III of that Act as well as for those of Chapter II of that Part; and

(b) section 371(2) of the Companies Act (Northern Ireland) 1960 (corresponding provisions for Northern Ireland) shall apply for the purposes of Part II of that Act as well as for those of Part XI.'. —*[Mr. Howard.]*

Brought up, and read the First time.

Mr. Howard: I beg to move, that the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to take Government admendments Nos. 270 and 277.

Mr. Howard: The amendments may appear rather technical but could have significant advantages for United Kingdom companies.

The new clause will give United Kingdom companies the same freedom to issue sterling commercial paper as foreign companies currently enjoy under section 79(2) of the Companies Act 1985 and the corresponding Northern Ireland provision, and will facilitate the development of a new United Kingdom financial market in sterling commercial paper.

SCP is a form of short-term negotiable debt which companies can issue as an alternative to bank borrowing. There is a flourishing market in the USA in the equivalent dollar instruments. The development of a United Kingdom market will give companies greater financial flexibility and be a welcome addition to the array of services provided by the City. My right hon. Friend the Chancellor of the Exchequer announced on 29 April that the Banking Act 1979 obstacles to issuing SCP would be relaxed, and that this amendment would be brought forward to extend the benefit of section 79(2) of the Companies Act to United Kingdom companies.

SCP will be issued in minimum denominations of £500,000, and the market will effectively be limited to professionals. The requirement to issue a prospectus is thus inappropriate and unnecessary. Section 79(2) of the Companies Act already exempts offers to professionals by foreign companies but gives no comparable relief to United Kingdom issuers. The new clause will rectify this anomaly and place United Kingdom issuers on the same footing.

Mr. Bryan Gould (Dagenham): I found the Minister's explanation interesting. We shall certainly watch with interest the development of the market for commercial paper. Will the Minister say a word about the rather unusual timing arrangements that are effected by amendments Nos. 270 and 277?

Mr. Howard: It is intended that these provisions should take affect immediately the legislation is on the statute book. We do not wish any delay if the new market is established and that is the reason behind the amendments to which the hon. Gentleman referred.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 15

DISCLOSURE OF INFORMATION UNDER ENACTMENTS RELATING TO FAIR TRADING, INSURANCE AND COMPANIES

'The enactments mentioned in Schedule *[Disclosure of information]* to this Act shall have effect with the amendments there specified (which relate to the circumstances in which information obtained under those enactments may be disclosed).'—*[Mr. Howard.]*

Brought up, and read the First time.

Mr. Howard: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 246 to 250 and 274, 275 and 278.

Mr. Howard: The clause and the associated group of amendments relates to the disclosure of information obtained under the Bill or under various existing statutes. I shall not detain the House with an exhaustive account of these provisions, but I shall confine myself to outlining some of the main provisions.

Our first aim is to permit financial and company regulators to share information while retaining appropriate protection against undesirable disclosure. We announced on Second Reading that we would bring forward amendments to this end. Amendments to the Banking Act 1979 will be tabled in another place, but our proposals to amend the Insurance Companies Act 1982 and the Companies Act 1985 are set out in this new schedule. It will be possible for information which is restricted under those two Acts to be disclosed in almost any of the circumstances in which information under the Bill may be disclosed by virtue of the gateways set out in clause 149. That will include assisting not only the various regulators under the Bill, but also, for example, the Bank of England and certain overseas regulators.

Information obtained by inspectors appointed under the Companies Act 1985 is not restricted information. That Act expressly permits its disclosure in certain circumstances, but the amendment makes express provision to remove uncertainty about its disclosure in other circumstances. The amendments provide that persons appointed as inspectors may give any information acquired during their investigations to the Secretary of State, and the Secretary of State may direct them to do so. Once the information is in the hands of the Secretary of

[Mr. Howard]

State, he may disclose in any of the circumstances in which information which is restricted under the Companies Act may be disclosed. This will remove doubt as to whether the Secretary of State may disclose information or unpublished inspectors' reports in circumstances where it is clearly desirable that he should be able to do so.

That is the effect of the provisions in relation to financial and companies regulation. The sharing of information is not intended to extend fully to authorities concerned with other matters, but special provision is required for competition purposes. I shall explain that and other specialised aspects of the clause and associated amendments if asked by any hon. Member.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 16

PENALTIES FOR FAILURE TO CO-OPERATE WITH S. 147 INVESTIGATIONS

'(1) If any person—

(a) refuses to comply with any request under subsection (3) of section 147 above; or

(b) refuses to answer any question put to him by the inspectors appointed under that section with respect to any matter relevant for establishing whether or not any suspected contravention has occurred,

the inspectors may certify that fact in writing to the court and the court may inquire into the case.

(2) If, after hearing any witness who may be produced against or on behalf of the alleged offender and any statement which may be offered in defence, the court is satisfied that he did without reasonable excuse refuse to comply with such a request, the court may—

(a) punish him in like manner as if he had been guilty of contempt of the court; or

(b) direct that the Secretary of State may exercise his powers under this section in respect of him;

and the court may give a direction under paragraph *(b)* above notwithstanding that the offender is not within the jurisdiction of the court if the court is satisfied that he was notified of his right to appear before the court and of the powers available under this section.

(3) Where the court gives a direction under subsection (2) *(b)* above in respect of an authorised person the Secretary of State may serve a notice on him—

(a) cancelling any authorisation of his to carry on investment business after the expiry of a specified period after the service of the notice;

(b) disqualifying him from becoming authorised to carry on investment business after the expiry of that period;

(c) restricting any authorisation of his in respect of investment business during that period to the performance of contracts entered into before the notice comes into force;

(d) prohibiting him from entering into transactions of a specified kind or entering into them except in specified circumstances or to a specified extent;

(e) prohibiting him from soliciting business from persons of a specified kind or otherwise than from such persons; or

(f) prohibiting him from carrying on business in a specified manner or otherwise than in a specified manner.

(4) The period specified in such a notice as is mentioned in paragraphs *(a)* to *(e)* of subsection (3) above shall be such period as appears to the Secretary of State reasonable to enable the person on whom it is served to complete the performance of the contracts in question and to terminate such of them as are of a continuing nature.

(5) Where the court gives a direction under subsection (2) *(b)* above in the case of an unauthorised person the Secretary of State may direct that any authorised person who knowingly transacts investment business of a specified kind, or in specified circumstances or to a specified extent, with or on behalf of that unauthorised person shall be treated as having contravened rules made under Chapter V of Part I of this Act or, in the case of a person who is an authorised person by virtue of his membership of a recognised self-regulating organisation or recognised professional body, the rules of that organisation or body.

(6) A person shall not be treated for the purposes of subsection (2) above as having a reasonable excuse for refusing to comply with a request in a case where the contravention or suspected contravention being investigated relates to dealing by him on the instructions or for the account of another person, by reason that at the time of the refusal

(a) he did not know the identity of that other person; or

(b) he was subject to the law of a country or territory outside the United Kingdom which prohibited him from disclosing information relating to the dealing without the consent of that other person, if he might have obtained that consent or obtained exemption from that law.

(7) A notice served on a person under subsection (3) above may be revoked at any time by the Secretary of State by serving a revocation notice on him; and the Secretary of State shall revoke such a notice if it appears to him that he has agreed to comply with the request in question.

(8) The revocation of such a notice as is mentioned in subsection (3)*(a)* above shall not have the effect of reviving the authorisation cancelled by the notice, except where the person would (apart from the notice) at the time of the revocation be an authorised person by virtue of his membership of a recognised self-regulating organisation or recognised professional body; but nothing in this subsection shall be construed as preventing any person who has been subject to such a notice from again becoming authorised after the revocation of the notice.

(9) If it appears to the Secretary of State—

(a) that a person on whom he serves a notice under subsection (3) above is an authorised person by virtue of an authorisation granted by a designated agency or by virtue of membership of a recognised self-regulating organisation or recognised professional body; or

(b) that a person on whom he serves a revocation notice under subsection (7) above was such an authorised person at the time that the notice which is being revoked was served,

he shall serve a copy of the notice on that agency, organisation or body.

(10) The functions to which section 96 above applies shall include the functions of the Secretary of State under this section but any transfer of those functions shall be subject to a reservation that they are to be exercisable by him concurrently with the designated agency and so as to be exercisable by the agency subject to such conditions or restrictions as the Secretary of State may from time to time impose.'.—*[Mr. Howard.]*

Brought up, and read the First time.

5 pm

Mr. Howard: I beg to move, That the new clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to take Government amendment No. 245.

Mr. Howard: I undertook to my hon. Friend the Member for Suffolk, South (Mr. Yeo) to consider how to amend the Bill to enable pressure to be applied, within the proper limits of United Kingdom jurisdiction, to dispose offshore intermediaries to co-operate with investigations into suspected insider dealing on United Kingdom markets. This new clause fulfils that undertaking. If an offshore intermediary refuses to co-operate with an inspector, the inspector may refer the matter to the court.

If the court is satisfied that there is no reasonable excuse for the refusal, it may direct that the Secretary of State may use his powers.

These powers take two forms, depending on whether or not the intermediary is authorised in this country. If the intermediary is not authorised, the Secretary of State may direct that authorised businesses shall not transact specified kinds of business for it. Thus, its access to United Kingdom markets may be restricted or completely cut off. Contraventions of the direction will be a regulatory offence. If the intermediary is authorised, the Secretary of State may serve a notice applying a range of sanctions from restrictions on its business to de-authorisation.

I should say a few words about "reasonable excuses". Not knowing the identity of a principal will not be regarded as a "reasonable excuse". Nor will the existence of banking secrecy laws if the person might have obtained a waiver. The defence is intentionally drawn narrowly. The limit of the knowledge which it would be reasonable to expect a person to have will be taken into account in exercising the power. But the clause is based on the premise that if an overseas bank could know the identity of the principal behind a transaction on a United Kingdom market, who may have committed a criminal offence, but chooses not to find out, then it is reasonable for that bank to have restrictions imposed on its United Kingdom activities.

Given the importance of this matter, I should add a few words about the way in which we propose to exercise this power. I have already explained that we propose to use it against intermediaries who have participated in transactions which have taken place in our markets without putting themselves in a position where they can give us the necessary assistance to ensure that such transactions are properly policed. Therefore, there is a close connection between our jurisdiction and what we propose to do.

However, it has to be admitted that this clause can be operated so as to attach legal consequences to failure to answer inquiries abroad. Because of this aspect of the matter we propose to exercise this power with great care, moderation and restraint as indeed the Government have always argued should be done in these kind of circumstances. In particular, where arrangements are in place to ensure that the information we need can be obtained by other means through the co-operation of the relevant foreign authorities, we shall always resort to those means. It may be that the clause can be further refined to build in these necessary considerations. This is one of the matters that I shall be considering in this context.

The new clause should prove a worthwhile addition to the powers of the investigators, and I commend it to the House.

Mr. Gould: This is one of those welcome occasions when it is appropriate to congratulate the Minister on his response to an expression of opinion in Committee. It is perhaps foolish to be too sanguine in advance, until we see how the clause works out in practice. We have here a determined and fair response to the Committee's concern.

It may be as well to remind the House just what the Committee was worried about. The Minister rightly referred to the views expressed by the hon. Member for Suffolk, South (Mr. Yeo), in which he was strongly supported by the Labour party. Nothing that has happened since the Committee sat has reduced our concern—indeed, the news from New York heightens it about the press reports and other evidence that insider dealing, which had been a criminal offence since 1980, had nevertheless continued to grow in scope. It has particularly flourished in the context of major takeover bids. There were reports current when the Committee was sitting of professional advisers to major companies who were parties to bids and using their insider knowledge to set themselves up and provide nominee shareholders and overseas companies, and then traded the shares of the companies to which they were advisers and of which they had insider knowledge.

In Committee, it emerged that the Bill as drafted was inadequate to deal with such problems. The danger that we had to face, and which particularly worried the hon. Member for Suffolk, South, was that, as a consequence of the Committee's deliberations, it had become clear that the range of measures proposed as the Bill then stood was inadequate and that, in a sense, those who were engaged in this practice might be encouraged to believe that they could proceed without fear of any sanction.

The measure contained in the new clause is an earnest of the Government's seriousness of purpose. I wish the provisions of the new clause well, and we shall watch it to see how well it works in practice. I fear that I cannot be absolutely confident that it will plug every loophole or be a total solution, but it is a substantial step forward. It is welcome to see that the Securities and Investments Board has concurrent jurisdiction in this matter, and that goes well in tandem with the other changes brought about in Committee, those giving the power to prosecute and investigate unauthorised persons.

I conclude on the happy note of congratulating the Minister on introducing the new clause.

Mr. William Cash (Stafford): In respect of recognised professional bodies and the implications of this clause for them, I am bound to draw attention to the fact that the word "accountant" is used, but quite rightly without any definition that would necessarily confine the description to members of the chartered bodies concerned. This also happens in new clause 15. This is a matter of great importance and was considered in the evidence given in the early part of this century — in the 1930s — by the Institute of Chartered Accountants. My great-uncle gave evidence to the House of Commons on this very question. The conclusion was that in the course of the hearing, it had become clear that the word "accountant" by itself was almost meaningless. The description accompanying it was all-important, yet it was impossible to define what was covered by the word "accountancy".

Persons other than those who are members of the chartered bodies—for example, the Society of Company and Commercial Accountants — have a grave concern about the provisions that will apply to them. Therefore, although most of the provisions refer to recognised professional bodies, arrangements will have to be made to ensure that those who are members of other accountancy bodies are not precluded simply because they are not chartered. It will be necessary to return to this matter at a later stage, but I wanted to make the reference in connection with this clause.

Mr. Anthony Nelson (Chichester): I congratulate my hon. and learned Friend the Minster, on moving the new clause, and I welcome its content. The House owes a debt of gratitude to my hon. Friend, the Member for Suffolk,

[Mr. Anthony Nelson]

South (Mr. Yeo). He cannot be here this afternoon, because he is in the Committee debating the Finance Bill. I know that he would want it recorded that he took a close interest in this matter, and introduced the relevant amendment in Committee.

I welcome the extension, provided for in the new clause, of the proposals in the Bill to deal in a tougher fashion with insider dealing, which is a great mischief that is more rife than is currently recognised. It is exceedingly difficult to detect and even more difficult to prosecute and convict for. Recent events, such as those highlighted by the hon. Member for Dagenham (Mr. Gould) in the United States, and, particularly, in the indictment of Mr. Levine, a former senior executive of Drexel Burnham, give one great cause for concern about the way in which offshore mediums are being used to cover up insider dealings.

My hon. and learned Friend the Minister will know that I wrote to him about this matter recently, because it came to my attention that there is a special agreement between the Swiss banks and the Securities and Exchange Commission in the United States with the express intention of trying to release information on suspected cases of insider dealing. That seemed to be of relevance to the United Kingdom in the new financial climate in which we shall be operating.

In Committee, we debated the difficulties of investigating or proving insider dealing where an offshore account or medium is used. Therefore, I drew to the attention of my hon. and learned Friend Agreement 16 between the Swiss Bankers Association and the Swiss banks generally, which was a gentleman's agreement relating to the handling of requests from the Securities and Exchange Commission in the United States for information on insider dealing and share transactions in the United States. There is no legal obligation for customers of a Swiss bank to signify their agreement to this clause, but if they fail to do so, the bank concerned may thereafter refuse to conduct security transactions with America for the client. If the SEC wishes to obtain information, its first recourse is to the police department of Switzerland, which, if it considers that there is prima facie evidence of insider trading, may approach the Swiss bank concerned to seek the disclosure of information under the terms of this agreement. In the last resort it is also possible, by invoking the provisions of this agreement, to freeze the assets of a customer with a Swiss bank account who is suspected of engaging in such activities, which are criminal activities here and in the United States.

We have some provisions under the companies legislation and now in the Financial Services Bill, as amended by this new clause, to limit the extent to which insider dealing will take place and to make investigations in a more incisive way. We shall have to look again at this problem if the incidence of insider trading continues to grow. I understand that the Council of Europe, which includes the Swiss, has made some progress in drawing up a convention which will seek to tackle the problem of insider dealing as part of a false market. I understand that the Government are trying to strengthen their contacts to develop exchanges of information with regulatory authorities overseas.

In his written reply my hon. and learned Friend the Minister was good enough to say that we may well have to look at this again. For the time being he feels that this agreement may be of limited application to us. I hope that in his reply to this short debate on the new clause he will tell us that he will keep an open mind about ways in which at a supranational level we can investigate more incisively and proactively than we have done in the past the mediums being used for these pernicious and criminal activities, which are a fraud perpetrated on all investors.

Mr. Howard: I am grateful to the hon. Member for Dagenham (Mr. Gould) and my hon. Friend the Member for Chichester (Mr. Nelson) for the welcome that they have given the new clause. It is an earnest of our intentions to be serious about this pernicious abuse. I can give my hon. Friend the assurance that he seeks and tell him that we shall keep a close watch to see whether anything further that needs to be done can be done. I listened carefully to my hon. Friend the Member for Stafford (Mr. Cash) and I shall consider whether there is anything I can usefully add to what he already knows of my views on this matter.

Question put and agreed to.

Clause read a Second time and added to the Bill.

New Clause 4

REGISTER OF PERSONS EMPLOYED IN BUYING, SELLING OR ADVISING ON RIGHTS UNDER CONTRACTS OF INSURANCE, ETC

'(1) The Secretary of State shall keep a register of individuals who appear to him to be employed or proposing to become employed in connection with buying, selling or advising on:

(a) rights under contracts of insurance falling within paragraph 10 of Schedule 1; and

(b) units in collective investment schemes.

(2) An application for entry on the register shall contain or be accompanied by such information as the Secretary of State may reasonably require for the purposes of determining whether to make a direction in respect of the applicant under section 54 of this Act, and such information shall, if the Secretary of State so requires, be in such form or verified in such manner as he may specify.

(3) An entry in respect of a person in the register under this section shall include particulars of any direction made by the Secretary of State in respect of that person under section 54 of this Act and of any consent for that person's employment given by the Secretary of State.

(4) The Secretary of State may make regulations requiring authorised persons to give him forthwith notice of such events in relation to individuals employed by them as mentioned in subsection (1) as are specified in the regulations and such information in respect of those events as is so specified.

(5) The Secretary of State may make regulations requiring authorised persons to furnish him at such times or in respect of such periods as are specified in the regulations with such information in relation to individuals employed by them as mentioned in subsection (1) as is so specified.

(6) Regulations under this section may require information to be given in a specified form and to be verified in a specified manner.

(7) The information contained in the entries included in the register kept under this section shall be open to inspection and the Secretary of State may publish the information contained in those entries in any form he thinks appropriate and may offer copies of any such information for sale.

(8) The register kept by the Secretary of State under section 89(1)*(e)* of this Act need not include entries in respect of persons included in the register kept under this section unless the direction under section 54 (by virtue of which section 89(1) *(e)* applies) relates to or includes a kind of investment business other than that mentioned in subsection (1).

(9) It shall be the duty of an authorised person and an exempt representative to take reasonable care not to employ

or continue to employ as mentioned in subsection (1) above any individual in respect of whom there is no entry in the register kept under this section.

(10) In this section references to employment include references to employment otherwise than under a contract of service, and references to buying and selling are to be construed in accordance with paragraph 23 of Schedule 1."

[Sir William Clark.]

Brought up, and read the First time.

5.15 pm

Sir William Clark (Croydon, South): I beg to move, That the clause be read a Second time.

This new clause seeks to establish a comprehensive register of all those employed or proposing to become employed in selling or advising on life assurance or collective investment schemes such as unit trusts. If we have a central register and if it became necessary to take from someone the authorisation to do those things, it would be extremely easy. Companies that advise on investment matters, such as insurance companies, building societies and the like, would themselves keep registers of those employees who were allowed to give advice to the general public. It is said that a central register would be exorbitantly costly, but I am not sure that I accept that point. Obviously, there would be no cost to the taxpayer because there would be a registration fee to cover the administrative costs and that fee would be paid by the applicable investment organisation.

Clause 4(9) is the main part of the new clause and its powers parallel clause 54 in the Bill. A person who has given bad advice will be taken to task by his or her employer. The employer may decide that that person is no longer capable or competent to give advice. However, that prohibition would apply only in that company or organisation. If the person left the company and was employed somewhere else, he could start giving advice again. Companies are worried about that, because it may put employers in an impossible position. That is because employers would probably treat similar cases in different ways. One employer may tell his employee not to make the same mistake again. Obviously, an insurance company or building society would take upon itself the responsibility for the bad advice or the misadvice that had been given, whether wittingly or unwittingly.

How many misdemeanours have to be committed before authorisation is removed from an organisation? I am sure my hon. and learned Friend the Minister has addressed his mind to that because it seems ridiculous to penalise a company when it is an individual who is at fault. Somehow, there must be a blacklist. How does one compile a blacklist if there is not some sort of central register?

Mr. Paddy Ashdown (Yeovil): I am listening carefully to the hon. Member's argument. I am not clear whether he is proposing a requirement for entry to the register. Will it be an objective test of competence, or does he propose that entry to the register is purely on the gift of the company or, indeed, of the Secretary of State? I should like the hon. Gentleman to expand on how one is placed on the register and what it means in terms of competence. Will there be an objective standard by which entries will be judged?

Sir William Clark: Of course there will be some test of competence. I am sure the hon. Member for Yeovil (Mr. Ashdown) appreciates that Back Benchers do not have the facilities of parliamentary draftsmen, and for that reason it is possible that there is some ambiguity in the new clause. I am speaking about the spirit of the new clause. I realise, and I am sure my hon. and learned Friend the Minister realises, that the Marketing of Investments Board Organising Committee advocated a central register. I also realise that the National Consumer Council is against the new clause, but that council is against it for the wrong reasons. It thinks that a central register would give credence to anybody on that register. However, if there is a test of competence for entrants to the register, there is no difficulty.

The Building Societies Association is against a register. The British Insurance Association agrees with it but has some reservations about the test of competence. I declare an interest because I am a consultant to the Life Insurance Association. It has 12,000 members working on the ground and is avidly in favour of the new clause and some sort of registration so that a blacklist can be identified immediately.

If one can believe the leaks in the press over the past few days I am certain that at the top of the Minister's reply notes there is the word "Resist." If he resists, I should like him to give me the assurance that it is the Government's opinion that the Bill, as drafted, will be sufficient to protect the general public from blacklisted investment advisers and that immediately such persons would not be able to give advice anywhere. If he is certain that the Bill will do that, can he give me the assurance that if in future we find it is essential to have some sort of central register because the Act is not working and there are loopholes in it about non-registration, he will not only keep it under review, but will change the legislation? That would be necessary in order to protect the investments of many people.

Mr. Gould: I listened with considerable interest to the hon. Member for Croydon, South (Sir W. Clark) and I had a great deal of sympathy for what he had to say about the new clause. It is worth recalling that the industry set up a consultative group, I think embracing virtually every body known to the industry, long before the Financial Services Bill hove into sight. That consultative group had gone a long way towards the proposal for the establishment of a register or licensing system.

The Government then appointed MIBOC, a practitioner-based body which considered the whole issue and produced an extremely well thought out set of proposals which were duly modified, following extensive consultation with the industry. We then had the situation, which is unfortunate to say the least, in which the Government, having set up a body to obtain the industry's advice, then refused to accept it. Indeed, that has been overridden, so far as one can tell, by the advice of their civil servants, but, perhaps more significantly, by the representations made to it by that familiar combination of banks and building societies and other powerful institutions——

Mr. Howard: And consumer bodies.

Mr. Gould: I shall mention them in a moment. The Minister would do well if he could make the claim, without blushing, that it was the Consumers Association which had weighed with him rather than the banks and the building societies on this issue.

[Mr. Gould]

It is yet one further regrettable instance of how on so many occasions the major financial institutions, particularly the banks, tend to come along at the last moment and express a view which is then adopted by the Government contrary to the views and evidence of most other people.

Mr. Tim Smith (Beaconsfield): That is an unrealistic assessment of the situation. The hon. Gentleman may be right about the banks and building societies, but he needs to recognise that in relation to MIBOC many other financial institutions had a vested interest in the scheme. Perhaps we should set those two up against each other and look at what the consumer bodies, who are supposed to represent investors, have to say about it.

Mr. Gould: I am content to accept the hon. Gentleman's endorsement of my point about banks and building societies. On MIBOC, I draw his attention to the fact that the Government set it up to provide them with exactly the advice that they are now rejecting.

So far as one can judge from the Minister's public pronouncements on these matters, the major argument against the MIBOC proposal and against the register seems to be that of cost. Of course, investor protection costs money. If the argument about cost were thought to be overriding, we would not be legislating at all. The Financial Services Bill will cost money. To provide essential protection to the consumers—to investors who buy life insurance policies—will cost money. There is no question about that. However, the sum of money involved can be made to seem extremely large only by multiplying it by 200,000 or 300,000, because that is the number of people involved in selling life insurance. Per head the cost is marginal. As a proportion of the total cost of putting a salesman into the business of selling, the cost of putting him on the register and providing him with a course enabling him to pass a test of competence is so marginal as not to worry anybody. That seems a small price to pay for an essential and entirely desirable element of consumer protection.

Without the register, the Government, the Secretary of State, and eventually the Securities and Investments Board, will have to rely for virtually their only weapon, apart from the general processes of authorisation, on the power provided by clause 54 — the disqualification power. I am encouraged at least to hear from Sir Kenneth Berrill that he intends to exercise that power rigorously. But even he could not conceal his disappointment at the Minister's announcement that registration is not to be proceeded with.

The difficulty with the clause 54 power—this is an analogy drawn to my attention by a spokesman for the industry; I do not claim authorship—is that it is rather like abolishing the concept of the driving licence and saying that we can deal with any problems that arise by prosecuting those who are thought to have committed offences of dangerous driving. The difficulty with that is that people tend to be hurt in traffic accidents, just as they will be hurt if they are buying life assurance and other investments from people who have not been required to establish in some way their competence and probity.

It is not to denigrate the industry unduly to point out that higher standards of competence and probity are desperately needed in this area. It is very much to the industry's credit that it recognises that that is the case. It is most unfortunate that the Government, through a failure of will or for whatever reason, have failed to accept the advice which has been tendered to them.

I conclude by echoing the appeal of the hon. Member for Croydon, South to the Minister. If he does not proceed with this, will he at least undertake to watch this area extremely closely? If he feels, as he may well be forced to conclude after a year or so, that higher standards and some test of competence is required, will he then be prepared to review the situation within a short period?

Mr. Robert McCrindle (Brentwood and Ongar): I have long held the view that true investor protection requires not only authorisation of the principal but also some form of licensing or registration of the individual acting on behalf of his principal. It is not sufficient to assume that the company to be authorised under the Bill will at all times be able to control the activities of its salesmen, yet that is what really matters to the customer.

The ideal system may well contain a basic test of competence, to which my hon. Friend the Member for Croydon, South (Sir W. Clark) and the hon. Member for Yeovil (Mr. Ashdown) referred. It is sometimes thought that a basic test of competence is unnecessary, yet it is within my experience that the ability to differentiate between different types of life assurance policy is not always present among those who purport to advise an individual on what is arguably one of the more important financial transactions of his lifetime.

It is surely also not expecting too much that some knowledge of personal taxation should be available to the customer through the individual who will either be an insurance company representative or an independent intermediary. It is surely not too much to expect that the company representative will have a full knowledge of his company's range of products and that an independent intermediary will have an understanding of what is available on the market. Such a basic test of competence is something to which we should be wholly attracted.

Allied to that there should be, as the new clause suggests, a register and a black list for periodical publication. My fear is that one without the other will present an unbalanced aspect of investor protection. If I have a concern about the new clause as proposed, it is that it seems to propose that the Secretary of State should have a considerable involvement in the creation and the keeping of the register. However, it does not make it clear who, in his ideal situation, would be the provider of a competence test.

Whether or not the new clause is acceptable to the Minister, I suggest that the obvious candidate to apply such a test of competence must surely be either the SIB, into which MIBOC will have been subsumed when the legislation becomes fully operative, or the self-regulating organisation.

Therefore, I submit to my hon. and learned Friend the Minister that if the new clause is not acceptable as it stands because it involves the Secretary of State in collating and publishing information, perhaps the message should go out from the Minister that over a few years SROs will be urged to introduce such a licensing or registration system by themselves as they become more able to run a test of competence on their own account.

If the Minister were prepared to back such a progressive introduction of such a scheme, he would have

widespread support, including, perhaps, as the Government understand it a little more, some of the consumer organisations which do not appear to like the idea so far put forward, almost entirely due to the cost. I have some reason to believe that the estimate of the cost of introducing such a system has been considerably exaggerated. Only yesterday, I had a conversation with a prospective member of an SRO, who expressed the opinion that there should be no great difficulty or cost in the progressive introduction of a test of competence allied to a system of registration or licensing.

5.30 pm

Those who have so far objected, apart from the consumer interest groups, are the building societies, the direct sales forces and the banks. I do not wish to cast aspersions on the sales forces of the banks or on the direct sales life assurance companies, which have served the public well during the past few years, but I am a little worried to discover that the building societies seem to be so vehement in their opposition to the idea of a test of competence because other legislation still going through Parliament will authorise them to move much more effectively and actively into life assurance and general insurance than has been the case. There are no prizes for guessing that they are already active in recruitment, and I have no doubt that many of the people whom they will recruit will be extremely estimable.

However, without a test of competence, and remembering that building societies cannot be expected to have the experience in insurance that we expect and know them to have in mortgages, they might be guilty of recruiting some people who would be incapable of giving the advice that a consumer has a right to expect. I hope that my hon. and learned Friend the Minister will not be too influenced by institutions such as the building societies —rather, I hope, the reverse. I hope that he will accept my point that, especially in the case of the building societies, there is a strong argument for extending the consumer protection that underlies the legislation.

I remain convinced that the prospect of an individual losing his licence, or losing his right to practice and to sell life assurance, would be a salutary discipline. I also believe that a representative of an authorised company who is not registered or licensed gives less than full investor protection. I appreciate that the legislation allows for the provision of a blacklist. I know that only yesterday Sir Kenneth Berrill, the chairman of the SIB, said that the clause would not be dormant, but would be fully acitivated under his leadership of the SIB. That is all very well, but a blacklist alone without a registration or licensing system — I hope that the Minister will forgive me for so describing it—is a little like closing the door after the deed is done.

The idea suggested by my hon. Friend the Member for Croydon, South in his new clause, which regrettably, if press reports are to be believed, the Minister will be resisting, overlooks the fundamentally important aspect that it is good to have a blacklist. Few of us who have anything to do with insurance would wish to resist it, but a blacklist alone without a reasonable test of competence and a reasonable implication of probity on the part of the individual does not go far enough.

The new clause may be the wrong method of protecting the consumer because it seems to bypass the SROs. I am sure that that could be put right in a way that would be acceptable to my hon. Friend the Member for Croydon, South. The SROs should be charged to introduce a competence test and to create a register progressively over a period of three to five years. I hope that when my hon. and learned Friend the Minister replies he will say whether my suggestion, subject to its being a system under which the cost would be kept to the minimun, strikes a chord of response in him. I sincerely hope that it does. I approve of a blacklist to protect investors, but not one which stands alone. The blacklist should complement what in my judgment is a much more important aspect of investor protection.

Mr. Ashdown: Not for the first time, I agreed with almost every point made by the hon. Member for Brentwood and Ongar (Mr. McCrindle) on insurance matters. However, I wish to expand upon some of them.

I am grateful to the hon. Member for Croydon, South (Sir W. Clark), who moved the new clause, for saying that the principle enshrined in it was important, not necessarily its drafting or the words, because it falls significantly short of what I had wished to see, especially in relation to competence. A register that does not include, as an essential part, a test of competence which is objective and industrywide rather than established by the firm could mislead people instead of safeguarding them. I shall return to that matter later.

In Committee, we discussed basic principles at some length. One basic principle in the Bill to which the Minister agreed is now enshrined in an amendment. It is the concept of tapering safeguards so that those who are most competent — who are at the top of the profession — would require fewer safeguards. The rule of caveat emptor would apply more precisely to them than to those at the bottom, most vulnerable end of the sector who have less knowledge and less competence in making judgments.

No one in the entire area where we seek safeguards for investors who have little knowledge of affairs can be more easily misled than the people with whom insurance salesmen frequently deal. As we said in Committee, insurance salesmen conduct business not in offices but frequently in the comfortable and disarming environment of people's homes.

If the Minister is to carry through the basic principle of tapering safeguards, it is essential that we afford those people greater safeguards about the advice that they will receive about competence and honesty than we do to others. The principle of the new clause is an important piece of armoury in that balance of safeguards. In the sale of insurance to private individuals, I have a strong suspicion that more damage is done through incompetence than through venality or dishonesty. I have no doubt that dishonest people exist in the insurance industry as they do in any other especially one which deals in such an environment and has such a large work force. However, I suggest that the number is small. There is not much evidence to suggest that that is the major problem. Incompetence probably does more damage in this area than in any other.

If the Government introduced a blacklist, even if such a thing could exist without a register alongside it — I have practical doubts on that matter — they could at least in some measure deal with the problem of dishonesty, but they could not cope with the problem of incompetence, which in my judgment and that of others does much more damage.

[Mr. Ashdown]

Recently, there have been suggestions that one way of getting round this problem and coping with it in terms of establishing a level of competence would be to set up a test of competency after 18 months. That is a sensible suggestion, and I was worried to see that it was dropped from the latest MIBOC draft proposals. As the hon Member for Croydon, South and the hon. Member for Dagenham (Mr. Gould) said, it was dropped because of the cost that might be involved. A cost of £10 per insurance salesman was predicted. That may sound a lot, but, as the hon. Member for Dagenham said, it is as nothing compared with the cost involved—in a typical case, 20 per cent. of premiums — in administration and commission for every individual during the entire term of the policy. Ten pounds is nothing, not even in relation to a handful of people who take out insurances, let alone in relation to the number of insurances that could be sold by salesmen during one month, let alone a year. That is a small price to pay for what will be a significant and, because the people concerned are most vulnerable, essential safeguard.

I listened with interest to the Minister's reply to the hon. Member for Dagenham about why he had rejected MIBOC's and SIB's proposals. He asked us to believe that he rejected them because of the excellent work and suggestions made to him by the Consumers Association. His rejection had nothing to do with the banks and the other large, powerful organisations which recommended that course to him. At present we shall put aside unreasonable and inelegant suspicions on this matter.

It is a matter of some confusion to us that the Minister has not accepted other recommendations put forward by the Consumer Association. He says with sincerity and with his hand on his heart that the Consumers Association has argued the case against this most powerfully and that he has listened to most of it.

I ask the Minister to re-examine what the consumer associations have said. The National Consumer Council said that it did not want such a register for one reason — it could mislead the public on the matter of competence. The hon. Member for Croydon, South made it clear that he wishes a test of competence to become an essential element of such a register. The NCC's objection must fail if the register shows that the membership has such a level of competence, for the public would not be misled in the way that the NCC feared.

The Consumers Association also told the Minister that it was opposed to a register. I ask the Minister to consider that carefully, because the Consumers Association says that it would be preferable to ban cold calling than to have a register. I agree with that. If the Minister agrees with the second part of the recommendation, does he also agree with the first? I am prepared to give way to the Minister in the hope that he will answer my question. If the Minister will tell the House that he is prepared to introduce a complete ban on cold calling, we may not need such a register. The Consumers Association made its recommendation on that basis.

One is left with the inelegant suspicion that in this, as in so much else, the Minister was moved more by the power of the banks and those who have the most financial clout than by the Consumers Association. I hope that the Minister, will answer the Consumers Association's request for a ban on cold calling.

If the Minister, for reasons of drafting or other reasons, will not accept the new clause, I hope that he will look closely at the matter and will make recommendations to solve this problem. If he will not do that, will he make a clear declaration to the House that he will keep this important matter under close review?

Mr. Cash: I raised the matter of competence many times in Committee, tabling a series of amendments to the schedules to introduce the concept of competence and of the qualifications of members of SROs. I expect that that matter will continue to be debated on later amendments.

With respect to my hon. Friend the Member for Croydon, South (Sir W. Clark), may I say that the clause appears to have attracted an unusual amount of opposition. The Office of Fair Trading, the Consumers Association, the Linked Life Assurance Group, the Committee of London and Scottish Bankers, which has contacted me on the matter, the Pearl Assurance Group, the Co-operative Insurance Society, the Royal Liver Friendly Society, the Building Societies Association and the National Consumer Council have all appeared to take exception to the provisions. In view of the weight of opinion, and despite my hon. Friend's arguments, I do not believe that the new clause should be accepted.

The chairman of the Chief Executive Officers' Committee of London and Scottish Bankers, Mr. Philip Wilkinson, said:

"We are in favour of a list of rogue salesmen, but not of a huge index of reputable ones. This extra layer of bureaucracy proposed by the Board would only serve to create unnecessary cost with no discernible benefit . . . Our member banks are already highly selective in their recruitment and require rigorous standards to be met before allowing staff to advise the public on any financial matter. There are at least 50,000 staff involved, from time to time, in marketing and advising on life assurance and unit trusts, often as an integral part of a wider advisory service."

Mr. McCrindle: Can my hon. Friend say whether any of the many objectors to the new clause objected also to my suggestion that the task should be given to the SROs, and that a register and some form of licensing should be introduced progressively? There is no sign that they would object to that.

Mr. Cash: I listened with interest to my hon. Friend. He and I are ad idem on the test of competence, and we were together on that point in Committee. From the synopsis that I have of those organisations' views, I do not know whether they said other things too. The Committee of London and Scottish Bankers made its position perfectly clear. It stated:

"The costs of registering them individually is likely to be over £2 million with an ongoing compliance cost of £1 million annually, a cost which would have to be borne by customers eventually."

The banks support high standards of competence and probity——

5.45 pm

Mr. Ashdown: The hon. Gentleman said that one reason why he opposes the new clause is that the cost would have to be borne by the customer. Surely that is the case with all regulations. Costs are always borne eventually by the investor—the customer. If that is to be the reason for opposing the new clause, it must be a reason for opposing everything else.

Mr. Cash: We might also have to pay the cost of having an alliance in due course. Costs occur in all matters; the

point made by the Committee of London and Scottish Bankers is fair and reasonable, and I fully support it. The sheer diversity of the methods of selling life assurance and unit trusts is a good reason for not having a universal register.

Mr. Howard: I am grateful to my hon. Friend the Member for Stafford (Mr. Cash) for his support. He has correctly anticipated my position in relation to the new clause moved by my hon. Friend the Member for Croydon, South (Sir W. Clark).

The hon. Members for Dagenham (Mr. Gould) and for Yeovil (Mr. Ashdown) have adopted a curious approach to our discussions both yesterday evening and this afternoon. They select what they regard as the basis upon which I reach decisions in these matters, and, on that false premise, mount an argument which diverges ever more rapidly from reality. I could put up with the fact that they credit me with having no independent judgment, but I must object when they select people to whom they say I listen on such matters, and ignore the fact that representations come from other bodies which are less easy for them to attack. In reaching my decisions, I pay careful attention to everything that is said, and, at the end of the day, I make my independent judgment on the basis of those representations.

Bearing in mind, as one does in considering such suggestions, the existing powers in the Bill which will give substantial control over individuals employed by investment businesses, my judgment is that the suggestions put forward in the new clause are unnecessary and expensive. As the hon. Member for Yeovil said—it was not his most original thought—cost must be taken into account and all regulation is expensive. Although that is true, it does not relieve us of the responsibility of assessing the value of every proposal as against its cost. I sought to do that in relation to the proposals and, measured against that criterion, the proposals are found wanting.

As those making representations on the proposals put forward by MIBOC said, there is a danger that the competence test could mislead. It was intended to be a basic test. There was a real danger that salesmen who had acquired that basic qualification could present it as a basis for advising consumers on matters far exceeding the competence to which the certificate testified. It would be rather like referring everyone who wished to travel to Crewe to obtain a ticket to Watford Junction.

Of course it is right, as several hon. Members have pointed out, that clause 54 provides for a blacklist. We have already heard what has been said by Sir Kenneth Berrill about the way in which the powers in clause 54 are to be exercised. Indeed, I welcome his remarks. Clause 54 is intended to provide a real safeguard for the investor, and no doubt it will do so. My hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) mentioned the possibility of a register and a competence test being administered by SROs. There is no reason why they should not, if they think it appropriate, have a register for the businesses that they authorise or have a competence test. But for the reasons advanced, I believe that it is unnecessary to have a statutory central register with a statutory competence test.

I can give the assurance sought by my hon. Friend the Member for Croydon, South. Of course we shall continue to keep the matter under close review. If evidence materialises to show that our judgment needs to be revised, we shall not close our eyes to it. However, on the evidence so far presented, I must invite the House to reject the new clause.

Sir William Clark: I am grateful to my hon. and learned Friend the Minister for his remarks. I think that the debate on this important subject has been worth while. However, I hope that my hon. and learned Friend did not think that I in any way implied that any undue pressure had been brought to bear on him. I regret the accusations that have been made to the effect that that might be so. I am delighted that my hon. and learned Friend has accepted that there could or might be evidence to the contrary, and that, if there is, he will keep the matter under close review. He has indicated that if the Bill, as drafted, is found to be inadequate, he will alter it to give the investor the necessary protection. Given that assurance by my hon. and learned Friend, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 14

TAKEOVER PANEL

'(1) The Secretary of State shall supervise the functions of the Takeover Panel in formulating publishing and applying the rules of the Takeover Code, and shall himself have power to make, modify and enforce the rules of the Takeover Code, either directly or through the agency of the Takeover Panel.

(2) The rules of the Takeover Code shall take effect as if they were made by the Secretary of State under this Act.

(3) The Secretary of State may exercise any of the functions described in this section notwithstanding that any or all of the persons affected by the exercise of such functions are not authorised persons for the purposes of this Act.

(4) An authorised person who contravenes rules made or described under this section shall be treated as having contravened rules made under Chapter V of Part I of this Act or, in the case of a person who is an authorised person by virtue of his membership of a recognised self-regulating organisation or recognised professional body, as having contravened the rules of that organisation or body.

(5) A person other than an authorised person who contravenes rules made or described under this section shall be guilty of an offence and liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both;

(b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or both.'.—*[Mr. Gould.]*

Brought up, and read the First time.

Mr. Gould: I beg to move, That the clause be read a Second time.

The Bill regulates the very wide area of virtually all the investment business conducted in the City. But it is, to say the least, odd and unfortunate that we are not dealing with one of the matters that has put the City into the headlines in recent weeks. I refer to the merger mania that has broken out in the City, which now involves billions of pounds and virtually all our major firms.

The Bill is basically concerned with setting up a Securities and Investments Board to provide a structure of authorisation for investment business. But partly as a result of amendments in Committee, the SIB now deals with issues well beyond the scope of authorisation. For example, it deals with unauthorised persons and the investigation of insider dealing. It is, after all, entitled the Securities and Investment Board, and is not just concerned with investments. Its role as a securities authority should

[Mr. Gould]

incline the Minister and the House towards believing that it should accept some responsibility in the sphere of takeover bids.

That view is advanced and supported by Professor Gower in his seminal report on the whole question of City regulation and administration. It is not as though the need for such rules is unrecognised. The need for rules to regulate procedures in takeover bids was recognised by the City itself as long ago as 1968, when it felt that it was very much under pressure, and it introduced for the first time the takeover code.

It is appropriate to pay tribute to the work of the takeover code and of the panel that administers it. The question is not essentially the content of the rules but increasingly, and more pressingly, whether the voluntary arrangements underpinning those rules suffice. We face a new situation, and that is why we have this Bill. The City will now be dominated by huge, powerful new players, by new techniques in financing, and by grand takeover bids which this year already total, I believe, about £20 billion. Thus, the sums involved are massive. Yet apparently, judging from the Bill, we are not yet prepared to subject that one aspect of the City to statutory rules.

The Takeover Panel and the rules of the takeover code will no longer be sufficient to keep control of the increasingly difficult situation. The crucial question is what will happen if the clear rules of the takeover code are breached. What sanctions will follow? What will happen to those in breach? We have a recent example. Only yesterday it was reported that in the context of Dixons' bid for Woolworth, the merchant bank Rothschild was severely rapped over the knuckles by the Takeover Panel for what was described as permitting a materially deficient profit forecast in the exchange of information relevant to that takeover battle. But having rapped the bank over the knuckles, what does the Takeover Panel do?

One assumes that Rothschild is jealous of its reputation and that it will respond. One assumes that it did not welcome being rapped over the knuckles and that it will make an excuse, or will not repeat the mistake. However, what happens if those involved do not care so much about their reputation, are prepared to take such reprimands and to toss them aside, accepting them as the price for obtaining a lot of money? What would happen if Rothschild and other prominent and reputable City institutions were rapped over the knuckles so frequently because their practices were so endemic that standards fell so low that nobody took any notice of being rapped over the knuckles? We have seen that happen in the City before under a regime of voluntary and self-regulation. In a rapidly changing period when huge sums of money are involved, new techniques are being introduced and huge new players are getting in on the act, how can a voluntary code keep control?

Further evidence for that concern can be found in an article published in *The Sunday Times* by the financial journalist Ivan Fallon. He says:

"In bid after bid these days there is evidence that a merchant bank shamelessly uses its fund management side to support its side in the battle, sometimes getting it to add to its holding, more often persuading it to vote its shares the right way. There are so many instances of odd purchases made by a merchant bank, on behalf of clients who presumably never know how their money is being used, at key times in takeover bids that it seems to me the rules are being breached almost weekly."

I do not say that that paints an accurate picture in every respect, but it is sufficiently accurate to worry many Opposition Members, and it should worry the Minister too.

Recently, the Takeover Panel issued its own rules on Chinese walls to ensure that the practice described by that journalist does not occur during takeover bids. It is excellent that they should be published, but unlike the rules published by the SIB under the Bill the rules on Chinese walls have no effect. There is no sanction attached to them and no statutory back-up. The SIB issues its rules on Chinese walls, and, side by side, the Takeover Panel issues its rules for a similar purpose. It could hardly be argued that the rules issued by the Takeover Panel are less important than those of the SIB, as they deal with an extremely important aspect of City operations. Yet the Takeover Panel's rules lack that sanction or statutory authority.

6 pm

I believe that the clear and sensible solution to the problem is to do as Professor Gower originally recommended — to bring the Takeover Panel and therefore the rules of the takeover code within the framework created by the Bill. I believe that there is considerable support in the City for this view, and the Government have indicated their willingness to contemplate the solution. I am disappointed, to say the least, that apparently the Government have thought about it and decided to do nothing. I hope that, even at this late stage, they will take the opportunity to do something about an area that is going to be increasingly difficult to control. If they do not do something, I believe that we shall be storing up a disaster for the future.

Mr. Fletcher: I am grateful to the hon. Member for Dagenham (Mr. Gould) for bringing this point before the House even, as he himself said in his closing remarks, at this late stage. It is unlikely that there will be any other new clauses or amendments as important as this proposal, but it would be quite wrong for the Bill to go further without the House at least expressing some views on the role of the Takeover Panel.

I should like to take this opportunity to express my appreciation—if it will not damage him too much—of the masterful way in which the hon. Member for Dagenham has handled his brief on the Bill and, indeed, on a previous occasion on the Insolvency Bill on which I had the pleasure of working with him. Having said that, I do not go all the way with the proposal that he has placed before the House, for reasons that I shall describe briefly.

It is hard to imagine that the panel can stand still while everything else in the City moves. Indeed, everything else moves with great speed. Yet it appears to be the considered view of the panel, to the best of my knowledge, that it can go on as it has done for some years, while everything else toughens up in terms of the regulation and overall practices of the City.

I agree with the hon. Member for Dagenham that the panel has worked well over the years, but it cannot continue to work with club rules while all around there is a much higher degree of professionalism and, of course, a much higher degree of competition requiring tougher

and more professional regulations. These are, indeed, the criteria on which Government policy and the Bill are based.

The panel has made no case of which I am aware as to why its activities should be an exception to the general rule and policy underlying the Government's approach to the City. Although the panel may not have changed its view about its role in the new City regime, I think that important parts of the City and industry would disagree with the panel in that respect. Even in the past few months, I believe that there has been some change in the operation of many practitioners in the City. I know that the SIB has enough on its plate to keep it going for some time, as has my hon. and learned Friend the Minister.

While I am making what are probably the last remarks that I shall make on the Bill perhaps I may say that my hon. and learned Friend has done an excellent job in piloting the Bill through the House. He is not to blame for all its inadequacies. He has done a fine job. While he has been doing that, I have gone back to working for a living. I have been at the receiving end of regulatory decision-making of one kind or another, and it has been rather tough at times. I will spare the House my experiences of the last few months in this respect.

I ask my hon. and learned Friend not to leave this final stone unturned, even if I did when I was in the Department. I do not wish to see the panel in a regulatory straitjacket. I think that if the proposal of the hon. Member for Dagenham were accepted, that would be the case. I should like to see a more professional and representative body than exists in the City at present. I believe that the executive should be stronger and have more authority. The executive and the panel should be comprised not simply of City practitioners sitting in judgment on themselves—indeed, that is a remark that I have heard frequently from City practitioners—but of the users of financial services—the victims of their decisions. The users, of course, are industrial and commercial businesses and the managers of those businesses, to whom the club rules of the panel are often something of a mystery. I know how anguished and frustrated they feel about some of the decisions that are made and the time that it can take to get any action following a decision.

Again, I agree with the hon. Member for Dagenham in wondering what will happen if, as the competitive climate in the City grows, merchant banks and others—perhaps not the old guard or the sort of firms that we are used to in the City, but newcomers and big international players—are less likely to accept the club rules or the sort of ticking off that the panel gives in the hot situations that exist, particularly over mergers.

My hon. and learned Friend will be delighted to hear that I have no proposal for legislation. In fact, I have no idea how the problem might be tackled at this late stage, except to suggest—this is nothing new or original, but it is worth while—a short, sharp, independent review of the panel's role and, most important, its authority.

The panel plays a critical role in the City. I believe that it will be well worth while to re-examine this, particularly if its credibility is to be maintained as we move into this highly competitive situation in financial markets and services.

My hon. and learned Friend will recall that, at the beginning of this legislative process, he was under some pressure to include Lloyd's in the Bill. I think that he handled that extremely well and responsibly by appointing someone to examine Lloyd's in relation to legislation and the changes that the Government propose. That is naturally a bigger and more complicated task than examination of the panel. However, I believe that it would be better for the Department to hold an independent re-examination of the panel rather than to wait for a year or so, when things may have started to crumble. This is an area where a little foresight now might save a lot of trouble in a few months' time.

Mr. Ian Wrigglesworth (Stockton, South): I agree very much with what the hon. Member for Edinburgh, Central (Mr. Fletcher) has said about the panel and the need for it not to carry on as it is and has been doing, although, like him, I believe that it has done a very good job. Times are changing. Indeed, they have already changed in recent months, and, as everybody knows, they will change ever more later this year and next year.

I do not think that the proposal in the new clause would put the Takeover Panel in a straitjacket. I am sure that the members of the SIB would not regard it as a straightjacket into which all the SROs must fit, conform and be restricted. Indeed, the system will not work if it operated in a rigid and inflexible manner. Therefore, the hon. Gentleman's conclusion is wrong. A review would only cause confusion in a situation that is already confused, and create great uncertainty. It is quite unnecessary when a solution is available such as that contained in the new clause.

I support the proposal embodied in the new clause because the future responsibilities of the panel will be considerably greater and more important than at present. With the number of takeover bids now occuring and the changed behaviour to which the panel and the Director General of Fair Trading have already referred, we have had a taste of what is likely to happen after the big bang takes place. Life will become rougher and tougher in the City, so the Takeover Panel needs to be within the net of the regulatory framework, not out on a limb, if it is to perform its critical, central function.

It is because the role of the panel is so critical that it should be contained within the new regulatory framework. In a sense, it is almost a vote of no confidence in the new framework if the panel is not contained within it. It is such an important part of the regulation of the City that to be outside the new framework would reflect badly and also confuse many people about the ability of the new regime to operate effectively. For the credibility of the new system and for the effectiveness of the future work of the panel, it must be included within the SIB's remit. It would be an anomaly were it to float free. There is great danger that there will be not only overlap and confusion but conflict between the bodies responsible for that area. Putting the panel within the ambit of the SIB would help to avoid such confusion and potential conflict.

I hope that the Minister will not close the door completely on the proposal. I hope that, even at this late stage, it is possible for him to give some hope that this very important body will be seen to be part of the new framework, that it will come under the SIB and will form part of what everyone in this House—despite our various views—hopes will be a successful system of City regulation when the big bang comes.

Mr. D. N. Campbell-Savours (Workington): I intend to be very brief. I had experience last year of abuse by one

[Mr. D. N. Campbell-Savours]

company representing Scottish and Newcastle Breweries during the battle for the takeover of Matthew Brown Breweries—a major brewer in my constituency and in Blackburn. I hope that the Minister will take on board the comments of hon. Members about the great need for some form of regulatory control, especially to cover the operations of merchant banks involved in takeover decisions in advising their clients and securing shares on their behalf.

6.15 pm

I wish to draw attention to the Scottish and Newcastle takeover of Matthew Brown. When the abuse took place in the stock exchange on the afternoon of 11 December, I immediately came to the House to table an early-day motion to protect the interests of my constituents. In the new environment envisaged in the new clause, I believe that the early-day motion would have led to action against the companies concerned. The motion tells the story. It states:

"That this House condemns the highly irregular activity and questionable practice of Scottish and Newcastle Breweries on the London Stock Exchange who at 3.30 p.m. on Wednesday 11th December extended their deadline for acceptances of the Scottish and Newcastle's offer for Matthew Brown's shares; recognises that by 3.30 p.m., the original deadline set by Scottish and Newcastle in their own offer document, the attempt to take over Matthew Brown had failed, with the acquisition of only 47 per cent. of Matthew Brown's shares; expresses profound concern over the fact that by subterfuge and with the use of irregularity Scottish and Newcastle secured a further 3 per cent. of Matthew Brown shares by 5 o'clock at which time they claimed control; welcomes the decision to convene the full City takeover panel on Thursday 12th December to carry out an inquiry into Scottish and Newcastle's activities; and believes that Scottish and Newcastle's predatory acquisition of Matthew Brown is to be condemned by all those who believe in fair dealing and fair play."

I returned to the House to table the motion because I was advised by certain persons that it was important to make as much noise as possible to ensure that no decisions were ducked. I secured a number of interviews in the national media, including breakfast television, to provide publicity for the case prior to the Takeover Panel examining the matter in the City at 10 o'clock the following morning.

I stayed up until 3 am. Indeed, I remember telephoning my hon. Friend the Member for Hackney, South and Shoreditch (Mr. Sedgemore) at 2 am on a matter relating to Lloyd's—and he was in bed. I was advised that it was important to make as much noise as possible to ensure that the panel dealt with the matter in a reasonable way and that no one could secure the takeover by what I described in my motion as "irregularity."

What would have happened if the new clause had, in fact, been in legislation? I understand that the merchant banks advising Scottish and Newcastle would have found themselves in difficulty. They might have been in contravention of rules, which might have led to proceedings. If that had happened, I am sure they would have advised Scottish and Newcastle, prior to the 3.30 pm deadline, not to enter into such questionable activity. That would have avoided all the difficulty and hassle that I, a number of my hon. Friends and others experienced during the night of 11 December.

I hope that the Minister will take on board my comments about that incident, and also those of my hon. Friend the Member for Dagenham (Mr. Gould) about other incidents. There is a great deal of public concern. People want to feel sure that the rules are being complied with in every way. The Minister, by accepting the new clause, will have the opportunity to achieve precisely that.

Mr. Howard: First, I thank my hon. Friend the Member for Edinburgh, Central (Mr. Fletcher) for his kind remarks during his contribution. I have paid tribute to him for his responsibility for the Bill and I am happy to join in the tribute which he paid to the hon. Member for Dagenham (Mr. Gould).

The hon. Member for Dagenham referred to the Government's original attitude to the issue that is taken up by the new clause. I remind the House that the White Paper on financial services stated that the panel had been

"a good example of self-regulation working in an important area of the securities market in the United Kingdom. The Government wish it to continue to do so. If practitioners and users of the securities market felt that statutory backing would be helpful, the Government would be willing to consider it."

Following the publication of the White paper, we received representations from various bodies on this issue. Some favoured a degree of statutory backing, but many were opposed to it. The panel itself, on which many City organisations are represented, argued against statutory backing, as did the Governor of the Bank of England. In the light of the advice that we received, having approached the matter with an entirely open mind, as stated in the White Paper, the Government decided not to include provisions in the Bill on the regulation of takeovers. We believed, and continue to believe—our belief appears to be shared by most hon. Members who have contributed to this short debate—that the panel is doing a good job in regulating takeovers on a non-statutory basis and that it enjoys the support of the City. We announced our decision when the Bill was published in December and we have received no representations that the decision should be reversed.

Experience indicates that the conduct of takeovers is an area which is best left, as far as possible, to self-regulation rather than statutory provision. The City code on takeovers and mergers, and its administration by the panel, compares favourably with the more legalistic approach that is adopted in the United States. There are few in the City, or in industry and commerce, who would wish to move towards the American model if we can possibly avoid it.

I would argue that all the examples which have been cited by Opposition Members during the course of their observations strengthen the Government's case rather than detract from it. They have not been able to point to any example of anyone flouting the takeover panel. There may have been instances where, in the view of the panel, the code has been breached, but in those instances the panel has so ruled and the panel's decision has been accepted. As for the example cited by the hon. Member for Workington (Mr. Campbell-Savours), I would not care to speculate on the extent to which his experience on breakfast television may have influenced the decision of the panel. The fact is that the panel came to a decision which even the hon. Gentleman recognises was the right one to make.

Mr. Campbell-Savours: What about the financial advisers? What happened to them?

Mr. Howard: The point is that no attempt has been made to flout any decision of the panel. The panel's decisions have been respected.

The hon. Member for Dagenham posed a hypothetical question and asked what might happen if a decision of the panel were to be flouted. I face that question and address it. The Bill already contains powers which could be used to support the takeover code. There are wide-ranging powers to make conduct of business rules for authorised businesses in part I, chapter V and it would be possible to require authorised businesses acting for participants in the bid to conduct themselves in ways which would support the code. Under part IV, obligations could be placed on listed companies. Clause 138 in part V enables the conduct of offers to be regulated. There would also be an indirect impact even on unauthorised offerers or offerees because clause 52 severely limits the circumstances in which investment advertisements can be issued by someone who is not authorised.

I suggest that the Takeover Panel is doing a good job and that there is every reason to suppose that it will continue to do so. I listened carefully to what was said by my hon. Friend the Member for Edinburgh, Central but I cannot go along with his argument that there is a need for a review of the sort for which he asked. I believe that there are powers in the Bill which could be used to support the code if necessary. It is on that basis that I invite the House to reject the new clause.

Mr. Gould: I am grateful to the hon. Member for Edinburgh, Central (Mr. Fletcher) for his kind personal remarks and for his support in principle of the new clause. I understand his reluctance to commit himself to the detail of it. I am grateful also to my hon. Friend the Member for Workington (Mr. Campbell-Savours) and to the hon. Member for Stockton, South (Mr. Wrigglesworth) for their support for the new clause.

I cannot welcome the Minister's response in the same terms. By relying upon the views expressed to him by practitioners and users of the takeover code, he was applying the wrong test. His obligation was to apply the test which he has adopted in other instances, that of the public interest and the proper regulation of the City. The Minister should not confine himself to those who in one respect or another have a vested interest in the situation as it exists.

I think that the Minister missed the point of the example stated by my hon. Friend the Member for Workington. We believe that one of the beneficial consequences of effective regulation is that it has a prophylactic effect and deters the breaking of rules. That is not the same as coming along ex post facto, assuming that one is lucky enough to detect what has gone wrong and who was responsible, to issue a stern warning and no more. We want a proper system of rules, proper sanctions and proper penalties so that people are deterred from breach. What worries so many of us is the vast volume of breach that is taking place, which is largely undetected and unpunished.

For all these reasons I fear that I cannot be satisfied——

Mr. Campbell-Savours: Is this not an area to which the next Labour Government will have to return with new legislation? There are clear deficiencies, and it seems that the Government have no desire to deal with them.

Mr. Gould: My hon. Friend is right. Irrespective of the colour of the next Government—I have a firm view about that which, I am glad to say, is shared by all commentators and opinion polls, which is that there will be a Labour Government—that Administration will be obliged to legislate in this area. The developments that will take place will demand nothing less. For all these reasons I feel that we must press the matter to a Division.

Question put, That the clause be read a Second time:—

The House divided: Ayes 113, Noes 215.

Division No. 221] **[6.26pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Archer, Rt Hon Peter
Ashdown, Paddy
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Blair, Anthony
Boyes, Roland
Bruce, Malcolm
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Crowther, Stan
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dormand, Jack
Dubs, Alfred
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Fatchett, Derek
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Foulkes, George
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Hoyle, Douglas
Janner, Hon Greville
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kirkwood, Archy
Leadbitter, Ted
Leighton, Ronald
Lewis, Terence *(Worsley)*
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McNamara, Kevin
Madden, Max
Meadowcroft, Michael
Mikardo, Ian
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Nellist, David
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Tinn, James
Wareing, Robert
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. John McWilliam and
Mr. Don Dixon.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack

Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Bellingham, Henry
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Emery, Sir Peter
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Gorst, John
Gow, Ian
Grant, Sir Anthony
Greenway, Harry
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Hunter, Andrew
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(Herts W)*
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lennox-Boyd, Hon Mark
Lester, Jim
Lighthown, David
Lilley, Peter
Lord, Michael
McCrindle, Robert
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, M. *(N'bury)*
Major, John
Marlow, Antony
Mates, Michael
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Moate, Roger
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Percival, Rt Hon Sir Ian
Powell, William *(Corby)*
Proctor, K. Harvey
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rossi, Sir Hugh
Rowe, Andrew
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shelton, William *(Streatham)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Younger, Rt Hon George

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. Gerald Malone.

Question accordingly negatived.

Clause 1

INVESTMENTS AND INVESTMENT BUSINESS

Mr. Howard: I beg to move amendment No. 2, in page 2, line 3, leave out from 'Schedule' to 'shall' in line 9 and insert

'and is not excluded by Part III of that Schedule.

(3) For the purposes of this Act a person carries on investment business in the United Kingdom if he—

(a) carries on investment business from a permanent place of business in the United Kingdom; or

(b) by way of business engages in the United Kingdom in any activity which falls within any paragraph in Part II of that Schedule and is not excluded by Part III or IIIA of that Schedule.

(4) Part I to IIIA of that Schedule'.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to take Government amendment No. 19 and the amendments thereto: (a), line 7, at end insert 'or with a person who, by reason of the number of occasions he enters into transactions of the kind in question, the consideration involved in those transactions or the circumstances in which they are entered into, may reasonably be taken to understand the risks involved'.

(b), line 10, after 'exempted person', insert 'or a person who may reasonably be taken to understand the risks involved'.

(c), line 15, leave out 'authorised person or exempted'.

(d), line 16, leave out 'the authorised'.

(e), line 16, leave out from 'person' to end of line 17.

Mr. Howard: When we discussed this subject in Committee some suggestions were made that the territorial scope of clause 1 was in some respects too broad and that there was a risk that if unamended the provisions of the Bill might drive away business from overseas which is very valuable to the balance of payments and which is not done with ordinary investors in this country. I undertook at that stage to consult and to bring forward amendments excluding from the scope of the Bill certain transactions entered into by overseas businesses. The amendments are the fruit of that consultation.

The amendments are designed to deal with two types of business. The first, which is covered by paragraph 22A of schedule 1, concerns business done here by an overseas person—that is, a person without a permanent place of investment business in the United Kingdom—with or through a qualified person. By "qualified person", I mean either an authorised person whose ordinary business involves transactions of the kind in question or an exempted person doing business in respect of which he is exempt. When the transaction is done with or through an authorised person, that person will be sufficiently expert to understand the risks involved in dealing with an overseas person who is not subject to the Bill. If he is acting for a client, it will be for the authorised person to look after his client and to have regard to his client's circumstances.

The provision allowing transactions to be effected through an exempted person would also allow overseas persons to use the facilities of a recognised investment exchange without obtaining authorisation.

The second type of business with which I was concerned was the sort of business where the overseas person made no effort to solicit business in the United Kingdom from unauthorised persons. This is the purpose of paragraph 22B. The effect of this paragraph will be to exclude from the definition of investment business certain activities undertaken by an overseas person. The exclusion will apply where the activity is engaged in either on the unsolicited initiative of a person in the United Kingdom or where the overseas person's client or customer is a person on whom he is permitted to cold-call or to whom he is permitted to send advertisements under the regulations to be made under the Bill. It is likely that these regulations will allow cold calling on and the sending of advertisements to professional and business investors and existing clients. I believe that that exclusion will meet the objectives underlying the amendments put forward by my hon. Friend the Member for Croydon, South.

The provisions in the amendment would, I believe, meet most of the concerns which have been expressed about undermining the protection that the Bill will afford to investors. However, I would welcome comments on the extent to which they achieve the desired effect. This is a complex matter on which our deliberations are greatly assisted by the representations that we receive from interested parties. I believe that, overall, our proposals strike about the right balance, but I am prepared to consider further adjustments of the balance if a case can be made for them.

Amendment agreed to.

Schedule 1

Investments and Investment Business

Amendments made: No. 3, in page 130, line 14, at end insert

', industrial and provident societies or credit unions'.

No. 4, in page 131, line 17, at end insert

'or in respect of two or more different investments falling within paragraph 3 above and issued by the same person.'.

No. 5, in page 131, line 19, after 'in', insert 'or securities of'.—*[Mr. Howard.]*

Mr. Howard: I beg to move amendment No. 6, in page 132, leave out lines 30 to 39 and insert—

(a) the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or infirmity;

(b) no benefits are payable under the contract on a death (other than a death due to accident) unless it occurs within ten years of the date on which the life of the person in question was first insured under the contract or before that person attains a specified age not exceeding seventy years;

(c) the contract has no surrender value or the consideration consists of a single premium and the surrender value does not exceed that premium; and

(d) the contract does not make provision for its conversion or extension in a manner that would result in its ceasing to comply with paragraphs *(a)*, *(b)* and *(c)* above.

(2) Where the provisions of a contract of insurance are such that the effecting and carrying out of the contract—

(a) constitutes both long term business within the meaning of the Insurance Companies Act 1982 and general business within the meaning of that Act; or

(b) by virtue of section 1(3) of that Act constitutes long term business notwithstanding the inclusion of subsidiary general business provisions,

references in this paragraph to rights and benefits under the contract are references only to such rights and benefits as are attributable to the provisions of the contract relating to long term business.'.

The intention behind paragraph 10 of schedule 1 is to exclude from the definition of "investments" long-term insurance contracts whose sole purpose is protection against risk. However, the precise dividing line between those contracts which have an investment element and those which do not is obviously a somewhat difficult one to draw, given the complexities of the insurance market, and for that reason I was happy to acknowledge in Committee that we might not initially have got it exactly right in all respects. I promised, however, to consider the matter further, with a view to tabling appropriate amendments to the Bill on Report and I have now done that. The wording of the amendment reflects the result of extensive and wide-ranging consultations with a variety of interested parties, in an attempt to draw as accurate and as precise a dividing line as may be possible. The broad effect of the changes is to allow a slightly wider class of pure protection insurance contracts to qualify for exclusion but the exemption is still, of course, intended not to be available for any contract that would normally be regarded as an investment.

Mr. Tim Smith: On 30 January I moved in Committee an amendment that was similar to the Government amendment. I am grateful to my hon. and learned Friend the Under-Secretary of State for the consultation that the Government undertook with interested parties on this matter. Those who have commented to me on the Government amendment have said that they are satisfied with the changes that the Government have made, and they are therefore duly grateful.

Amendment agreed to.

Mr. Ashdown: I beg to move amendment No. 7, in page 132, line 46, at end insert—

'(11A) Real property of any type or description, except residential property, wherever situated and whether or not subject to encumbrances.'.

The purpose of the amendment is to bring investment in non-domestic property within the meaning and the terms of the Bill—property relating to office buildings, shops, factories, agricultural land, and so on. The amendment closely follows on the proposals and recommendations put to me by the National Association

[Mr. Ashdown]

of Pension Funds. However, we have deliberately excluded residential property because we have no wish to draw every estate agent in the land within the ambit of the Bill.

I do not pretend for one moment that this is a perfect solution. It is a balanced one which nevertheless is useful because it goes some way, in a sensible and reasonable way, towards recognising the type of investment decisions that can be taken and their impact in relation to property, without drawing in domestic property.

The word "real" in the amendment is well understood. The National Association of Pension Funds advised us that it was normally used in the trade and its lawyers said that it was appropriate. It may well be that it is not the right term to use, in which case we shall be more than happy to accept an amendment. The principle is what is important.

6.45 pm

The pension funds have vast amounts of money invested in property. The Government have calculated that they have about £12 billion invested in property. According to the NAPF's 1984 survey, 10 per cent. of its portfolios are in that category. In the 1970s the investment in property was much higher — about 20 per cent. of portfolios. The percentage has now dropped, for reasons that we can well understand — for example, lower inflation and the recession in rental growth. That position could easily be reversed if inflation were to increase, as some say it might, if there were a rise in property prices, or if the Government simply stopped issuing index-linked bonds.

Whatever the case in the future, at present substantial proportions of the portfolios of pension funds are invested in property. Few of those funds have their own property departments. They therefore rely heavily on agents of one sort or another for management and advice on acquisition and disposal. There is potential for severe conflicts of interest between clients of the same firm and between agents and the firms and their clients. The Royal Institution of Chartered Surveyors attempts, and in many cases does a good job, to regulate the market. I understand that on a number of occasions pension funds nevertheless have had to seek redress through the courts against property agents for breaches of duty under the law of agency.

I have no doubt that every vested interest will oppose the amendment, and I suppose that one can understand that. I suggest that there is no reason why, given the impact and importance of decisions in this respect, conflicts of interest here should be treated differently from conflicts of interest anywhere else. The acquisition by larger conglomerates of some of the firms involved may lead to the wholy inconsistent position in the future in which one service offered by a conglomerate is regualated and another — on property advice — is not. There could be the stupid situation in which pension fund trustees meet a number of advisers sitting around the same table — say, an adviser on United Kingdom securities, an adviser on international securities and an adviser on property — some of whom are regulated and therefore fall under the Bill's provisions, but the property adviser escapes those provisions. We wish to bring that aspect within the scope of the Bill.

The exclusion of this provision from the legislation would be more understandable if property investment had not created problems in the past, but we know that that is not so. The early 1970s were marked by what one Conservative Prime Minister referred to as the "unacceptable face of capitalism" directly, I recall, in relation to property investment.

Mr. Tim Smith: It was in relation to Lonrho.

Mr. Ashdown: I stand corrected, but it was certainly part of the same era. Without doubt, problems have been created in the past with respect to the law of agency. Without doubt, the scandal of the secondary banking crisis in the 1970s was created because of problems of property valuation.

Our purpose is to bring such investment advice within the scope of the legislation and to prevent such a thing happening in the future. If the Under-Secretary of State intends resisting the amendment, we shall want to know that he will be ready and willing to extend the Bill's scope under the powers given in, for instance, clause 2, should such problems again arise.

Mr. Howard: By the exercise of characteristically tortuous logic, the hon. Member for Yeovil (Mr. Ashdown) has passed from the identification of inaccurate reasons why I come to the decisions which I do to an identification of the vested interests which he suspects will oppose any amendment which he tables and which will accordingly doom that amendment. It is an interesting sign of the degree of accuracy with which his party approaches these matters. Any allegation may be made as long as it corresponds to a certain period, if it relates to the right era, and it does not matter whether it is inaccurate in every other respect. However, the general principle underlying the definition of investments in the Bill is that it excludes physical property which a potential purchaser can inspect and which passes under his direct control on purchase.

A person wishing to buy a building can have it surveyed and establish its physical condition, the cost of any essential repairs and the likely maintenance costs. Once he has purchased it, he will be able directly to influence at least that part of its value which relates to its structural condition. This distinguishes real property from investments as defined in the Bill, where the purchaser acquires rights, directly or indirectly, in underlying assets which he generally cannot inspect or control.

Two arguments have been advanced for including real property within the scope of the Bill. The first is that for large fund managers, such as insurance company and pension fund managers, property is an alternative store of value to investments as defined in the Bill, and that it should therefore be regulated in a similar fashion. The second is that property is frequently promoted and purchased as an "investment" in the sense of an asset which it is hoped to sell subsequently at a profit. But the problem with both these arguments is that they do not present a case for drawing the line at real property. Fund managers have other stores of value available, such as works of art. A wide range of things — for instance, stamps or limited edition porcelain plates — are promoted on the basis that they will rise in value, and are bought in that expectation, or at least that hope. It would be wholly impracticable to extend the scope of the Bill to cover all those areas.

Moreover, to include real property within the definition of investments would greatly increase, to no clear advantage, the range of businesses to which the Bill would apply. For instance, even with an exclusion for residential property, the mainstream activities of a large number of estate agents and property management agents and solicitors who undertake commercial conveyancing would be brought within the Bill's scope. What would be the benefit of doing so? To what sort of rules should they be subject? Clearly, rules drawn up to cover, for instance, the management of a portfolio of shares would be wholly inappropriate to the management of an office block as such.

I believe that what has been called the touch-and-see principle is the right one to adopt when defining investments. The provisions of the Bill are inappropriate for physical objects and real property which pass under the direct control of the purchaser. I urge the House to reject the amendment.

Mr. Ashdown: The opening of the Minister's speech, in which he sought to play the person not the argument, was rather typical of the rest of it because I was very dissatisfied with that. He failed to recognise the scale of the problem and sought to relate it to the same kind of area as, for example, advice on works of art when he knows that, by the Government's own figures, £12 billion is currently invested in pension funds in property. The scale is wholly different.

It seems that the Minister has considerably underestimated the seriousness of this problem in terms of scale, of the damage done to the probity of the City and to the economy in a previous age, and of the effect and possibility of its happening again. I found his remarks offensive in the early stages and downright complacent in the latter part of the speech. In the light of his reply, I am tempted to call a vote on this amendment. I shall not do so for one reason only. There is pressure on time and we are being asked to move things forward. I accede to that because I may want to call a vote later in the interests of the business of the House.

We have put down a marker, and in the future we shall probably have good cause to remind the Minister, or some other person who holds his position, of it so that we can say that the complacency he has shown in this matter will be called into account later.

Amendment negatived.

Amendments made: No. 8, in page 133, line 21, leave out 'a' and insert 'an authorised'.

No. 19, in page 135, line 23, at end insert

'PART IIIA

ADDITIONAL EXCLUSIONS FOR PERSONS WITHOUT PERMANENT PLACE OF BUSINESS IN UNITED KINGDOM

Transactions with or through authorised or exempted persons

22A.—(1) Paragraph 12 above does not apply to any transaction by a person not falling within section 1(3)(*a*) of this Act ("an overseas person") with or through—

(*a*) an authorised person whose ordinary business involves transactions of the kind in question;

(*b*) an exempted person acting in the course of business in respect of which he is exempt.

(2) Paragraph 13 above does not apply if the arrangements are made by an overseas person with, or the offer or agreement to make them is made by him to or with, an authorised person or an exempted person and the arrangements are with a view to the authorised person or exempted person entering into a transaction which is within the ordinary business of the authorised person or, as the case may be, a transaction in respect of which the exempted person is exempt.

Unsolicited or legitimately solicited transactions etc. with or for other persons

22B. (1) Paragraph 12 above does not apply to any transaction entered into by an overseas person as principal with, or as agent for, a person in the United Kingdom, paragraphs 13, 14 and 15 above do not apply to any offer made by an overseas person to or agreement made by him with a person in the United Kingdom and paragraph 15 above does not apply to any advice given by an overseas person to a person in the United Kingdom if the transaction, offer, agreement or advice is the result of

(*a*) an approach made to the overseas person by or on behalf of the person in the United Kingdom which either has not been in any way solicited by the overseas person or has been solicited by him in a way which has not contravened section 51 or 52 of this Act; or

(*b*) an approach made by the overseas person which has not contravened either of sections.

(2) Where the transaction is entered into by the overseas person as agent for a person in the United Kingdom, Sub-paragraph (1) above applies only if

(*a*) the other party is outside the United Kingdom; or

(*b*) the other party is in the United Kingdom and the transaction is the result of such an approach by the other party as is mentioned in sub-paragraph (1)(*a*) above or of such an approach as is mentioned in sub-paragraph (1)(*b*) above.' *[Mr. Howard.]*

Mr. Bruce Millan (Glasgow, Govan): I beg to move amendment No. 20, in page 135, line 23, at end insert

'22A Paragraphs 12, 13 and 15 above do not apply to anything done in connection with the purchase or sale of a business, or the assets of a business, offered for sale as a single entity.'.

Mr. Deputy Speaker: With this it will be convenient also to consider the following amendments: No. 21, in page 135, line 23, at end insert

'22B Paragraphs 12, 13 and 15 above do not apply to anything done by a body incorporate in relation to the internal organisation of its own funds.'.

No. 22, in page 135, line 23, at end insert

'22C Paragraphs 12 and 15 above do not apply to anything done by a company in relation to a reconstruction of its own capital, except in a case where such reconstruction involves activities falling within paragraph 13 above.'.

No. 24, in page 136, line 6 at end insert

'(3A) Advice given to a company in relation to the activities mentioned in subparagraph (3) above shall not be regarded as investment advice for the purposes of this schedule.'.

Mr. Millan: I shall make it clear immediately that these four amendments are probing amendments because I want to have some clarification about schedule 1.

The first amendment deals with the

"purchase or sale of a business, or the assets of a business, offered for sale as a single entity."

I know that in Committee the Minister said that this matter is excluded from the definition of investment in the Bill. However, to me and to professional people outside it is not at all clear where or how this matter is excluded in the Bill. It seems that some clarification is required. If the Minister can point to the words or passage in the Bill which deal with that item and satisfy us that it is adequately dealt with, fair enough. However, as far as I can see it is not currently dealt with explicitly in the Bill.

The other three amendments deal with advice on corporate finance given to companies. The Minister will know that the accountancy bodies have been rather concerned about which elements of corporate finance advice are caught by the Bill and which are excluded. That

[Mr. Millan]

is not clear at present. There is a misprint in amendment No. 21 because I have in mind a body corporate, not a "body incorporate" as is printed on the Amendment Paper. Since I am complaining about the lack of clarity elsewhere I feel that I should make that clear.

There have been discussions between the Departments and the accountancy bodies on this matter and I have seen a letter written on 19 May from the Department. However, far from clarifying the position, the letter, if anything, makes it less clear than I had understood it to be. Obviously there is a need for some clarification, and that can be done only by an amendment to the Bill. It would obviously be undesirable for the Bill to reach the statute book with some doubt as to exactly what the schedule covers. It must be in everyone's interest that that should be put right before the Bill becomes an Act.

Amendment No. 21 deals with the body corporate in relation to the internal organisation of its own funds. I am thinking specifically of whether advice in relation to that would be covered as investment advice in the schedule. I think that there would be a case for saying that it should not be covered because one is not dealing with an outside party which is being invited to invest. One is dealing with the internal organisation of the company's own funds. Of course, in itself that may involve a certain amount of investment advice on changing investments or financing arrangements and so on. I do not have a particular view as to whether that should be excluded. My amendment would say that it should be but, as I have said, it is a probing amendment. I am simply saying that we should know whether it is excluded or not. That is the important element in the amendment. There are arguments on both sides.

Amendment No. 22 deals with the capital reconstruction of a company. There are different circumstances, whether it is a capital reconstruction which involves further investment from outside and further calls on shareholders, or whether it is capital reconstruction which does not involve that. Again, it is not covered exclusively in the schedule to the Bill and it is not clear to many professional people whether that is covered or not. In some circumstances investment advice in relation to capital reconstruction should be covered by the Bill, and in others it should not. I do not want to be dogmatic about where the dividing line should be, if, indeed, there should be a dividing line at all. Accountants and other people involved in professional advice must know whether a particular activity is covered by the Bill.

7 pm

Amendment No. 24 deals with what is already an exclusion in the Bill. Schedule 1 paragraph 23(3) relates to the issue by a company of its shares, which is not regarded as falling within the schedule. That does not make clear the position of advice in relation to the issue by a company of its shares. That is not mentioned specifically in the schedule. It may be that, although the issue by a company of its shares is excluded, advice in relation to that is not excluded. Again, there are arguments on both sides about whether the matter should be included or excluded. My point is that there must be clarity so that professional advisers know exactly how they are placed in relation to the legislation.

I have chosen only three examples of matters involving advice on corporate finance. Many other matters may arise which are not dealt with clearly in the Bill. The way in which schedule 1 is drafted makes it extraordinarily difficult to table amendments which one can be reasonably confident will have the effect that one intends. I tabled the three amendments in order to ask the Minister for clarification or at least an undertaking that the matter will be reconsidered in the other place. Then we can be reasonably confident that when the Bill reaches the statute book we have it right, and those who will be involved will know what their responsibilities are.

Mr. Tim Smith: I support the right hon. Member for Glasgow, Govan (Mr. Millan). His amendment No. 20 has the same object as my amendment No. 1, which was not selected for debate. The White Paper stated clearly:

"'Investments' will be defined to exclude . . . *business*, or the assets of a business, offered for sale as a single entity".

It would be helpful to hear what progress my hon. and learned Friend the Minister has been able to make towards incorporating such a provision in the Bill.

I know of the letter to which the right hon. Gentleman referred because I have seen a copy of it. It was intended to be helpful and to be a clarification, but it illustrated the complexities of the problem of corporate financial advice. That has been highlighted further by the fact that the Association of Corporate Treasurers has now written to many hon. Members saying that it has recently been suggested that its activities may be covered by the Bill. We are a long way from the original object of the Bill if it covers corporate treasury work, and I understand that the advice of the Department is that it does. Within a group there may be a subsidiary company with a minority holding, so I can see how that may be the case. If that is so, we are a long way from the original object of protecting domestic investors. Anything that can be done to clarify the Bill's ambit as precisely as possible before it becomes law cannot be other than the best possible course of action.

Mr. Howard: I shall do my best to respond to the entirely reasonable requests of the right hon. Member for Glasgow, Govan (Mr. Millan) and my hon. Friend the Member for Beaconsfield (Mr. Smith) for further clarification of the points that they raised. I shall endeavour to provide a degree of further clarification or, failing that, to say how we propose to set about the task of providing further clarification.

I can offer the right hon. Gentleman some reassurance on two points regarding amendment No. 20. First, the sale of the assets of a business will not normally constitute an investment activity, so a person whose business it was to arrange the transfer of assets, such as plant and machinery, from one proprietor to another would not be caught by the Bill. Secondly, the Bill would not catch a privately arranged sale by shareholders of their shares to a new proprietor or proprietors. However, the Bill as drafted would catch someone who advises on such transactions by way of business or is a transfer agent whose business is to arrange sales of the shares of small companies with few shareholders — often members of the same family — to new proprietors.

We are sympathetic to the idea of excluding such activities from the scope of the Bill, but the difficulty comes when one starts to try to define the transactions to be excluded. It would, for instance, be possible to provide an exclusion when a transfer agent advises on or arranges

the sale by one person of the entire issued share capital of a company, or virtually the entire capital because there must always be two shareholders in a limited company, to another person. But that would be of limited use. Frequently, there will be more than one person on one or other side of the transaction, and the transaction may not involve all the shares, either because those wanting to sell do not own all the shares or because they want to retain an interest in the company, which they may, after all, have founded.

If one tries to accommodate such transactions a number of other questions quickly arise. Should there be a limit on the number of people involved on each side of the transaction, and if so, what should it be? Should it be a requirement that the people on one side were connected to each other in some way, and if so, how? What should be the minimum proportion of shares that would have to be transferred for the exclusion to apply? I hope that the whole House will agree that these are not easy questions to answer.

Obviously, there is no point in providing an exclusion if it is so limited as to be of no value to advisers and transfer agents. Equally, we must avoid opening up unacceptable loopholes. The references in the right hon. Gentleman's amendments to the sale of a "business" are not apt to the sale of shares in a business, and the amendment does not answer the important questions I have mentioned. But we have certainly not ruled out amendments to deal with the point, and I would welcome any suggestions as to how they might be framed so as to achieve a satisfactory balance between two objectives that conflict to some extent. If a satisfactory definition can be found, the Government would certainly be prepared to bring forward amendments in another place.

The remaining amendments deal with the position under the Bill of corporate treasurers and advisers on corporate finance. It might be helpful if I deal with them separately.

In addition to what has been said today, I have received some representations about the impact of the Bill on corporate treasurers. I accept that the present exclusion in schedule 1 for own-account dealings may not deal adequately with the problem of transactions undertaken by a company with or for another company in the same group. There may also be problems when a corporate treasurer deals with professional and business investors overseas. I propose to consider what needs to be done to deal with these problems, and the Government will bring forward amendments in another place.

The term "corporate finance" is broad and rather vague. It includes activities which are clearly within, and ought to be within, the definition of investment business, as well as activities which are outside that definition and others which fall close to the borderline. It may be possible to exclude from the definition certain restricted categories of corporate finance advice, such as the particular activity identified in amendment No. 24 of advising a company on the issue of its shares. I would be very willing to consider any other proposals which might help to clarify the boundary of investment business without opening up unacceptable loopholes. But I should repeat that some of the activities of the larger corporate finance advisers are clearly within the scope of the Bill, and I would not be prepared to exclude them completely.

Mr. Millan: The Minister has just told us that this is a difficult problem and that he does not have the answers to some of my points.

Mr. Howard: Yet.

Mr. Millan: I am not entirely confident from his speech whether he ever will have the answers to these particular problems. I am sure that the professional bodies outside will want to read his speech carefully. It is clear that some amendments to the schedule will be required, and it is unsatisfactory for the House that we do not have them at this stage. Obviously, it is not possible to judge what the amendments are likely to be and whether they will be acceptable because we shall not have an opportunity to see them.

Mr. Gould: Does my right hon. Friend share my surprise that, given that the Bill had its genesis some time ago and was foreshadowed by a substantial report, we still have not had answers to these important questions?

Mr. Millan: It is surprising because one would have thought that these questions would have had to be answered before the Bill was drafted beyond its preliminary stage. The Bill should explain what it covers, what an investment is and what is investment advice. Everything else in the Bill depends on such definitions.

This is the core of the Bill. Although these amendments may appear to be technical, we are dealing with the definition of matters upon which the whole Bill hangs. The professional bodies, will, as I have said, wish to consider what the Minister has said and I hope that there will be further discussions. I admit that these problems are difficult and I am in no way minimising the difficulties of producing the correct definitions.

I accept the Minister's point that we do not wish to have exclusions in the schedule which would allow loopholes. I would certainly support that. I have made the point, and the Minister accepted this, that there must be further amendments. I hope that the discussions which will no doubt take place, will eventually produce a reasonably satisfactory and comprehensive solution. In the meantime, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: No. 23, in page 136, line 1, after 'shares', insert 'or share warrants'.

No. 25, in page 136, line 8, leave out first 'and'.

No. 26, in page 136, line 9, at end insert

'and "share warrants" means any investment which falls within paragraph 4 above and relates to shares in the company concerned.' *[Mr. Howard.]*

Clause 6

INJUNCTIONS AND RESTITUTIONS ORDERS

Amendments made: No. 27, in page 4, line 33, after 'injunction', insert

'or, in Scotland, an interdict'.

No. 28, in page 4, line 42, after 'below', insert —

'or, in relation to Scotland, under subsection (4A) below'.

No. 29, in page 5, line 20, at end insert —

'(4A) The court may under this subsection order the person concerned to pay to the applicant such sum as appears to the court to be just having regard to the considerations mentioned in paragraphs *(a)* to *(c)* of subsection (4) above.'.

No. 30, in page 5, line 22, after '(4)', insert 'or (4A)'.

No. 31, in page 5, line 41, leave out subsection (8) —

[Mr. Howard.]

Schedule 2

REQUIREMENTS FOR RECOGNITION OF SELF-REGULATING ORGANISATION

Amendments made: No. 32, in page 137, line 32, after 'agency', insert 'a transferee body'.

Mr. Howard: I beg to move amendment No. 33, in page 137, line 42, at end insert

'(2) The arrangements shall not be regarded as satisfying the requirements of this paragraph unless the persons responsible for those matters include a sufficient number of persons who are independent of the organisation and its members.'

As I said when this paragraph was discussed in Committee, I entirely accept the need for effective independent representation on governing bodies of recognised self-regulating organisations so as to ensure that proper account is taken of the interests of users and of the general public. The Bill is intended to ensure such representation. It was suggested in Committee that the requirement ought to be spelt out more explicitly in the Bill, and I undertook to consider that. The amendment reflects that consideration, and I commend it to the House.

Mr. Gould: The Opposition recognise that the element of independence is spelt out in the amendment. That is desirable and welcome. However, we must register our slight disappointment at the use of the word "sufficient". It seems to be a meaningless word in the context, and we would have preferred a word such as "substantial" or "significant", which might have made more sense to the judges if ever they were required to decide upon the matter.

Mr. Ashdown: To reinforce the point, I recall during the Committee debating the matter at some length with the Minister. We finally extracted from him, with the pain of extracting an elephant's tooth, in relation to the SIB the words a "significant proportion". Why can the SIB have a "significant proportion" whereas for the SRO it is reduced to a "sufficient proportion"? Will the Minister tell us what the difference is in numerical terms between "significant" and "sufficient"? What does "sufficient" mean? "Sufficient" is a weak and almost meaningless word for a very important matter.

Mr. Howard: It would defeat the object of the terms used in these clauses if they were capable of being reduced to a specific arithmetical quantity in the way suggested by the hon. Member for Yeovil (Mr. Ashdown). I have introduced the amendment in its present terms to accord the maximum flexibility while meeting the objective which was common to both sides in the Standing Committee.

Amendment agreed to.

Clause 11

REVOCATION OF RECOGNITION

Amendment made: No. 34, in page 8, line 14, leave out

'of its obligations under this Act';

and insert—

'obligation to which it is subject by virtue of this Act'.—*[Mr. Howard.]*

Clause 12

COMPLIANCE ORDERS

Amendments made: No. 35, in page 9, line 24, at beginning insert '(a)'.

No. 36, in page 9, line 26, after 'organisations' insert

', or

(b) that a recognised organisation has failed to comply with any obligation to which it is subject by virtue of this Act.'

No. 37, in page 9, line 29, leave out from first 'that' to 'is' in line 32 and insert

'subsection (3) of section 10 or the requirement in question is not satisfied or, as the case may be, that the organisation has failed to comply with the obligation in question it may order the organisation to take such steps as the court directs for securing that that subsection or requirement is satisfied or that that obligation'

No. 38, in page 9, line 35, leave out clause 13. *[Mr. Howard.]*

Clause 14

NOTIFICATION REQUIREMENTS

Mr. Howard: I beg to move Government amendment No. 39, in page 10, leave out lines 13 to 45 and insert

'14.—(1) The Secretary of State may make regulations requiring a recognised organisation to give him forthwith notice of the occurrence of such events relating to the organisation or its members as are specified in the regulations and such information in respect of those events as is so specified.

(2) The Secretary of State may make regulations requiring a recognised organisation to furnish him at such times or in respect of such periods as are specified in the regulations with such information relating to the organisation or its members as is so specified.

(3) The notices and information required to be given or furnished under the foregoing provisions of this section shall be such as the Secretary of State may reasonably require for the exercise of his functions under this Act.

(4) Regulations under the foregoing provisions of this section may require information to be given in a specified form and to be verified in a specified manner.'.

Mr. Deputy Speaker: With this it will be convenient also to consider Government amendments Nos. 40, 41, 61, 62, 126, 160, 191 and 192.

Mr. Howard: These are largely technical amendments. Self-regulating organisations will need to provide a wide variety of information to the Secretary of State or designated agency. Clause 14 and other provisions specify some of this information in great detail by leaving other elements to be prescribed in regulations.

On reflection, we feel that it would be preferable to have a genuine regulation-making power under the Bill so that the requirements can be more easily adapted to changing circumstances. We have also concluded that the Secretary of State or designated agency might need recognised investment exchanges and clearing houses to notify information other than that specified in subsections (1) and (2) of clause 39. Amendment No. 61 therefore gives a similar regulation-making power to that given in the case of self-regulating organisations.

Amendment agreed to.

Amendments made: No. 40, in page 11, line 1, after 'notice', insert

'or information required to be given or furnished'.

No. 41, in page 11, line 11, after 'of', insert ', or of regulations under,'.

No. 42, in page 11, line 11, leave out from 'offence' to end of line 15. *[Mr. Howard.]*

Clause 19

REVOCATION OF RECOGNITION

Amendment made: No. 43, in page 13, line 15, leave out 'of its obligations under this Act'

and insert

'obligation to which it is subject by virtue of this Act'. *[Mr. Howard.]*

Clause 20

NOTIFICATION REQUIREMENTS

Amendment made: No. 44, in page 14, line 4, leave out from 'offence' to end of line 7. *[Mr. Howard.]*

Clause 22

REGISTERED FRIENDLY SOCIETIES

Amendments made: No. 45, in page 14, line 21, after 'registered', insert

'within the meaning of that Act'.

No. 46, in page 14, line 22, leave out 'under that Act'.

No. 47, in page 14, line 32, after 'registered', insert 'or deemed to be registered'. *Mr. Howard.]*

Clause 23

OPERATORS OF RECOGNISED SCHEMES

Amendments made: No. 48, in page 15, line 2, after 'operator', insert 'or trustee'.

No. 49, in page 15, line 4, after 'operating', insert 'or acting as trustees in relation to'. *[Mr. Howard.]*

Clause 26

GRANT AND REFUSAL OF AUTHORISATION

7.15 pm

Mr. Ashdown: I beg to move amendment No. 50, in page 16, line 5, at beginning insert

'Subject to subsection (2A) below,'.

Mr. Deputy Speaker: With this it will be convenient to consider amendment 51, in page 16, line 10, at end insert

'(2A) The Secretary of State may refuse the application if he considers that it is unnecessary having regard to the existence of one or more self-regulating organisations which are concerned with investment business of a kind with which the applicant is concerned and which have been or are likely to be recognised under section 10 above.'.

Mr. Ashdown: The purpose of amendments Nos. 50 and 51 is to give a reserve power to refuse direct registration should the Secretary of State wish to do that.

Many hon. Members will recognise—this point arose in Committee and it has been a subject for discussion elsewhere—that there is a danger of too much direct registration with the SIB. If that were to happen, the SIB would be swamped and its effectiveness would be undermined. It might even be possible for a group of would-be members of any SRO deliberately to undermine that SRO by seeking direct registration with the SIB. The amendment copes with that by allowing the Secretary of State the powers to refuse direct registration or to delegate those powers in the case of an existing SRO.

As the Bill stands, it is possible for members of an SRO who found the rules too onerous or too rigidly enforced or who found the fees too high to remove themselves from the SRO and either apply to another SRO or to seek direct registration with an SIB. That could destroy the SRO concerned. It would also negate the whole principle of self-regulation because people would be able to apply to the superior body for direct registration and so undermine the effectiveness of the SRO.

That is the basis of amendment No. 50 and that is the danger which the amendment addresses. The power that we seek is sensible and is essentially a reserve power.

Mr. Tim Smith: Is the SIB seeking this power?

Mr. Ashdown: I am not aware whether the SIB is seeking this power. However, that is a rational judgment. The dangers that I have outlined which may confront us in future make a case for the power. I know that other hon. Members will agree with that.

Mr. Nelson: I have a measure of sympathy for the intent behind the amendment, as I made clear in Committee. I fear that the regime may be thwarted by people who, for a variety of reasons, apply to the designated agency instead of the SRO. The latter is the desirable course and maintains the integrity of the system of regime supervision as foreseen in the White Paper.

My hon. and learned Friend the Minister, in Committee, appeared to state that the cost and rules of either the Secretary of State or the SIB as designated agency might be so onerous as to provide a substantial disincentive for anyone to seek authorisation by that route. That needs repetition on Report. That is the major point of resistance to the amendments.

I am worried that people may treat an application for SIB authorisation as a court of appeal against refusal by an SRO to grant an authorisation. In some circumstances, many operators in the market may feel that the higher cost of attaining authorisation from the SIB is well worth while because they do not have to be subject to the day-to-day monitoring which certain SROs will and should impose. Those who seek protection under the framework as designated should be given sufficient reassurance to allow the amendments to be dropped, or my hon. Friend the Minister should later accept something along these lines.

Mr. Gould: This is a matter which we also argued in Committee. We have some sympathy with the amendment, for the reasons that have already been given.

There is a danger that the Securities and Investments Board's structure will be rendered unworkable because individuals, who are perhaps professional people, whose professional bodies do not seek recognition are obliged to seek authorisation or because some of the very large institutions decide that it is the simpler means of getting authorisation, preferring it to joining three or four SROs. I remain of the view that it would be worth while as a precautionary measure to have a reserve power such as this.

I suspect that the Minister, having heard these arguments before, will not be persuaded by hearing them

[Mr. Gould]

again. I nevertheless hope that he will recognise the danger and that he does not live to regret overlooking this opportunity.

Mr. Howard: The hon. Member for Dagenham (Mr. Gould) says that, having failed to be persuaded by these arguments in Committee, it is unlikely that I shall be persuaded by them this evening. He is correct.

I am sure that most businesses will choose to become authorised through membership of an SRO. These bodies form the cornerstone of practitioner-based regulation. They will be close to the market place and best placed to adapt the requirements for investor protection into rules which are relevant and practical for the investment activity with which they are concerned. Their familiarity with the needs of the investment businesses that they regulate will help them to devise effective monitoring and enforcement arrangements which do not impose unnecessary burdens on the businesses.

I am confident that most businesses will regard SRO authorisation as the most practicable route for them. In addition, it may well be found that the cost of direct authorisation is higher than that chargeable for SRO membership and that control by an inevitably remoter body will be less efficient for a business.

Why should a power of the sort described in the amendment be contemplated to back up the attractions of SRO membership? I believe that any coercion over the route by which a business may choose to become authorised is inappropriate. SROs will be private bodies, exercising powers over their membership by the contractual agreement between them. If powers are taken which could in effect be used to direct individual businesses to apply to join SROs, the status of those bodies cannot help but be changed. I do not believe that they should be forced to consider and, if fit and proper, to admit to membership applicants who do not want to become members.

Mr. Campbell-Savours: Does not the Minister understand that the amendment proposes only a reserve power? It is not imposing anything. Can he not see it in those terms?

Mr. Howard: I am suggesting that the exercise of that power would be inappropriate. If one takes the view that the exercise of such a power would be inappropriate—I am setting out the reasons—there is no call even for a reserve power. The conflict to which I have referred would inevitably be a cause for friction, and the success of self-regulation depends on voluntary acceptance of the spirit as well as the letter of the rules. An unwilling member is unlikely to have that sort of attitude.

Equally, the business may feel that an SRO is not the right body to regulate its activities, that its charges are excessive or that its rule book or methods present problems for the business's activities. Why should the agency be able to upset the business's commercial judgment and force it to apply to an SRO?

I realise that there is concern among some conglomerates that they may have to join several SROs for various aspects of their business and that this will be costly and bureaucratic. The proposals from the SIB for the creation of a lead regulator which would be responsible for handling overall financial surveillance should be adequate to minimise duplication of effort and over-bureaucracy. Even conglomerates should find SRO membership a convenient route for authorisation.

I do not believe that large numbers of businesses will want to seek direct authorisation, but even if they did I do not agree that they would swamp the agency or that the system could not work, although the agency would have to take on more staff to consider applications and to monitor businesses thereafter. By building up its resources, and with practitioners on the board and staff, the agency would be able to cope. I hope and expect that most businesses will join SROs, but if they do not the system that we are proposing is flexible enough to deal with them. The amendment would remove the right of a business to choose how to get its authorisation. We should preserve that freedom of choice, and I invite the House to reject the amendment.

Mr. Ashdown: I must again express some sadness at the Minister's reply. He said, rather revealingly, that the arguments that had been put to him had not persuaded him to change his mind. We know that no powerful bodies are behind the arguments and that they must stand by themselves.

I am grateful to the hon. Member for Chichester (Mr. Nelson) for his properly qualified support and to the hon. Member for Dagenham (Mr. Gould) for his support. The hon. Member for Dagenham said—the Minister admitted it—that conglomerates might be required to register with three or four SROs. That will put cost burdens on them. The direct registration procedure might prove less expensive and less bureaucratically onerous.

The Minister said that he believed that most businesses would regard SROs as their appropriate route for authorisation. I agree. I envisage most businesses taking that route. As the hon. Member for Workington (Mr. Campbell-Savours) said, we are suggesting a reserve power. Firms might well choose a different route.

The Minister has set his face against the amendment. He ended with a curious statement—he said that we would remove a right and force businesses. That is not what we intend. We are suggesting a reserve power for use in exceptional circumstances. By rejecting the amendment, the Minister has left open the possibility of a chain of events which may cause him to change his mind.

Amendment negatived.

Mr. Howard: I beg to move amendment No. 52, in page 16, line 15, leave out 'exempt' and insert 'appointed'.

Mr. Deputy Speaker: With this it may be convenient to consider Government amendments Nos. 64 to 68, 70, 71, 76, 84 to 86, 162 to 164, 193 and 262.

Mr. Howard: In reply to a similar amendment which was proposed in Committee by my hon. Friend the Member for Beaconsfield (Mr. Smith), I accepted that the phrase "exempt representative" might not be the best one to use in relation to the people covered by clause 41 in so far as it tended to suggest that they were not to be subject to the Bill's provisions at all. This is not, of course, the case. Since the conduct of an exempt representative is treated under clause 41 as the conduct of his principal for the purposes mentioned in the clause, the exempt representative would have to comply with whatever provisions of the Bill or rules and regulations made under

it as would have applied to his principal. The only exemption is from the requirement separately to become authorised.

Nevertheless, I am aware that the phrase has tended to give rise to an understandable misconception regarding the precise status of the persons covered by clause 41, and I accordingly undertook in Committee to consider an alternative expression that might convey a rather clearer indication of that status. The phrase "appointed representative" was proposed by my hon. Friend the Member for Beaconsfield and is, I believe, the one that best achieves that objective.

Amendment agreed to.

Clause 30

AUTHORISATION IN OTHER MEMBER STATE

Mr. Howard: I beg to move amendment No. 53, in page 19, line 13, after 'question', insert '(*a*)'.

Mr. Deputy Speaker: With this it may be convenient to consider Government amendments Nos. 54 to 56 and 170.

7.30 pm

Mr. Howard: The purpose of these amendments is to remove some of the uncertainty about the circumstances in which the provisions of the clause conferring authorisation on certain member state nationals have effect.

I should recall at the outset that clause 30 reflects an existing right under the EEC treaty. The central principle is that a national of any member state is allowed under the treaty to provide services in any member state without being made subject to restrictions which cannot be justified on the basis of certain principles. The ones which are relevant are that the requirements must be objectively necessary and proportionate to the ends to be achieved and that requirements must not duplicate requirements in the member state of establishment which provide substantially the same safeguards. In other words, the law must take account of the safeguards afforded by other member states. That is why clause 30 confers authorisation on persons authorised in other member states whose authorisation procedures provide safeguards equivalent to those provided under the Bill.

The application of this last principle means that the clause must apply whenever, as a matter of fact, there is equivalence between the regimes in question — a matter which can ultimately be decided only by the courts. However, I accept that such a provision could give rise to unwelcome uncertainty, and the purpose of these amendments is to reduce this uncertainty.

The first area of uncertainty concerns harmonised regimes such as exist in the case of life insurance. The whole purpose of harmonised regimes is to allow the products in question to be sold throughout the Community, regardless of their member state of origin. The purpose of the new subsection (3)(*d*) is to make it clear that the authorisation conferred by the clause applies to a person who is authorised in another member state under a harmonised regime. By virtue of the new subsection (5), to take advantage of this authorisation a person must possess a certificate issued by his home authorities confirming that the relevant provisions of the law in that state conform to the relevant harmonisation directive.

The second leg of the main amendment provides for the Secretary of State to issue a certificate to the effect that the provisions of the law of another member state satisfy the equivalence criterion. The existence of such a certificate would be conclusive proof that the equivalence criterion was satisfied and that a person authorised under the relevant provisions was authorised in the United Kingdom. The power to issue such a certificate would not be transferable to the designated agency. In view of the international implications of the exercise of the power I think that it should be reserved to the Secretary of State.

The amendments would not remove all the uncertainty about clause 30. For the reasons I have explained, the absence of a certificate issued by the Secretary of State could not be conclusive proof that the equivalence requirement was not satisfied. A person authorised under some other provisions might still be authorised under clause 30 to carry on investment business in the United Kingdom. This possibility must be kept open if we are to comply with our Community obligations. However, I believe that the amendments would have the effect of clarifying considerably the application of clause 30.

Because of this remaining uncertainty, and to meet some of the concern expressed in Committee, we have provided that the notice required under clause 31 must be given at least seven days before a person authorised by virtue of clause 30 begins to carry on investment business in the United Kingdom. This will allow the Secretary of State or designated agency time to consider the notice and to seek an injunction restraining the person from carrying on investment business if he or it believes that the person is not in fact authorised under clause 30, or to use the intervention powers if the notice suggests that the person is intending to carry on investment activities not covered by his home state authorisation and it would not be in the interests of investors to allow him to do so.

Mr. Gould: We welcome these amendments, but the Minister will recall that one of the matters arising under clause 30 which concerned the Committee was that the clause appeared, at least on our reading, to be wider in effect than was actually required by our EEC treaty obligations. The Minister will recall that we were exercised by the example of a person authorised to act as an insurance broker in Greece who is thereby authorised to act for all investment business purposes in this country. Will the Minister confirm that he has studied that question but has decided to do nothing about it?

Mr. Howard: After I studied that question, I came to the conclusion that it was not appropriate to take action, for the reasons I expressed when the matter was debated in Committee.

Amendment agreed to.

Amendment made: No. 54, in page 19, line 18, at end insert

'; or

(*b*) satisfy the conditions laid down by a Community instrument for the co-ordination or approximation of the laws, regulations or administrative provisions of member States relating to the carrying on of investment business or investment business of the relevant kind.

(4) A certificate issued by the Secretary of State and for the time being in force to the effect that the provisions of the law

[Mr. Howard]

of a member state comply with the requirements of subsection (3)(*a*) above, either as respects all investment business or as respects investment business of a particular kind, shall be conclusive evidence of that matter but the absence or revocation of such a certificate shall not be regarded as indicating that those requirements are not complied with.

(5) This section shall not apply to a person by virtue of paragraph (*b*) of subsection (3) above unless the authority by which he is authorised to carry on the investment business in question certifies that he is authorised to do so under a law which complies with the requirements of that paragraph.'. *[Mr. Howard]*

Clause 31

NOTICE OF COMMENCEMENT OF BUSINESS

Amendments made: No. 55, in page 19, line 20, after 'unless,' insert

'not less than seven days'.

No. 56, in page 19, line 39, at end insert

'(2A) A notice by a person claiming to be authorised by virtue of subsection (3)(*b*) of section 30 above shall be accompanied by a copy of the certificate required by subsection (5) of that section.'. *[Mr. Howard.]*

Clause 36

GRANT AND REVOCATION OF RECOGNITION

Amendments made: No. 57, in page 23, line 17, leave out 'of its obligations under this Act'

and insert

'obligation to which it is subject by virtue of this Act'.

No. 58, in page 23, line 24, leave out from 'requirements' to 'there' in line 26 and insert

'and obligations referred to in subsection (7) above as it has effect in relation to the requirements and obligations'. *[Mr. Howard.]*

Clause 38

GRANT AND REVOCATION OF RECOGNITION

Amendments made: No. 59, in page 24, leave out line 42 and insert

'obligation to which it is subject by virtue of this Act;'.

No. 60, in page 25, line 6, leave out from 'requirements' to 'there' in line 8 and insert

'and obligations referred to in subsection (7) above as it has effect in relation to the requirements and obligations'. *[Mr. Howard.]*

Clause 39

NOTIFICATION REQUIREMENTS

Amendments made: No. 61, in page 25, line 9, after '39' insert—

'(1A) The Secretary of State may make regulations requiring a recognised investment exchange or recognised clearing house to give him forthwith notice of the occurrence of such events relating to the exchange or clearing house as are specified in the regulations and such information in respect of those events as is so specified.

(1B) The Secretary of State may make regulations requiring a recognised investment exchange or recognised clearing house to give him forthwith notice of the occurrence of periods as are specified in the regulations with such information relating to the exchange or clearing house as is so specified.

(1C) The notices and information required to be given or furnished under the foregoing provisions of this section shall be such as the Secretary of State may reasonably require for the exercise of his functions under this Act.

(1D) Regulations under the foregoing provisions of this section may require information to be given in a specified form and to be verified in a specified manner.'.

No. 62, in page 25, line 22, leave out 'this section' and insert

'subsection (1) or (2) above'. *[Mr. Howard.]*

Clause 40

LLOYD'S

Mr. Gould: I beg to move amendment No. 63, in page 25, line 28, leave out clause 40.

In Committee we had a thorough debate on whether Lloyd's should be within the Bill. I have no intention of rehearsing fully all the arguments which were expressed on that occasion. It is important that the House, the City and the public should have an opportunity to hear the issue ventilated once more so that it may be judged on its merits. For that reason, we tabled our amendment and we are delighted it has been selected.

The fundamental point is that Lloyd's is deliberately excluded from the Bill. The Bill regulates investment business. As such business is carried out at Lloyd's, by normal principles it should therefore be within the Bill. Clause 40 makes a specific exclusion in favour of Lloyd's and that is the starting point of the argument. In my view, the onus should be on those who drafted the measure rather than on those who have argued that, based on the general principle, Lloyd's should be within the Bill.

At first sight, most people would be surprised that Lloyd's has been singled out for this special treatment. If one asks the public or those in the City which institution cried out most for regulation, I am sure the answer would be Lloyd's. Lloyd's has been the source of outrageous scandals and has caused much public concern. Lloyd's is the epitome of self-regulation, and therefore the epitome of what can go wrong. On the face of it, Lloyd's is an odd candidate for special treatment.

Other institutions — the stock exchange or the Eurobond market — which could legitimately state that they have a clean record and have done well over recent years, could ask why they are being picked upon. Such protestations are rejected, and I believe that is correct. But it is curious that Lloyd's, which cannot assert such a good record — it has a spotty and blemished record — should receive special treatment.

One of the arguments advanced in favour of this special treatment is that Lloyd's is already regulated as an insurance business by the Department of Trade and Industry. Almost every other institution covered by the Finance Bill is regulated by some other agency. That is true of the friendly societies, the building societies, the insurance companies and the professionals.

It is argued that Lloyd's is covered by the Lloyd's Act 1982 and that is why it is excluded from the Bill. The 1982 Act was simply an assertion of self-regulation. We have now decided that self-regulation, especially in the light of all that has happened in the City since 1982, is no longer enough. It does not produce acceptable results and cannot be relied upon. Why is self-regulation allowed to stand for Lloyd's when it is clear that it is inadequate?

It is also argued that because Lloyd's, since the beginning of 1983, has put its house in order, it should not be criticised for defalcations and other offences which were committed before that date. We were able to detail many

aspects of Lloyd's record since 1983 which led us to have little confidence in the view that Lloyd's had learnt anything about the dangers of self-regulation.

I do not propose to dwell on those matters, because most hon. Members will be familiar with them. However, there is the whole question of Lloyd's failure to regulate in the case of the PCW syndicate and its attitude to those of its members who suffered substantial losses in consequence of the fraud and theft and the trading pattern which ensued due to those frauds and thefts. Lloyd's has frustrated and obstructed its members and investors from pursuing legitimate remedies.

Mr. John Butterfill (Bournemouth, West): We touched on this yesterday, but I would like to stress again that I have no personal interest in Lloyd's. The hon. Gentleman is again making assertions for which there seem to be no firm foundations. I understand that Lloyd's has made proposals to deal with the fraud element in the PCW syndicate. The subject of the dispute between Lloyd's and some of its names concerns the subsequent management of the syndicate and whether that management was prudent or rash – underwriting risky business – thereby creating further losses for those names. That is quite different, and the hon. Gentleman is surely misleading the House when he suggests that Lloyd's was responsible for both aspects.

Mr. Gould: It may be that the hon. Gentleman's almost unique position – a Conservative Back Bencher with no links with Lloyd's – has led him to be more than credulous in these matters. What he has described is a device used by Lloyd's to escape its responsibilities. It is true that Lloyd's has attempted to draw a line after 1982. It has argued that all that happened before that date was theft and fraud, but that all that happened after that was due to ordinary trading losses. The fact is that those trading losses were incurred because the crooks chose to underwrite business with no regard for the long-term consequencies. All they were interested in doing was maximising the short-term premium income so that they could cover their tracks and give themselves time to get away – and that is what happened. The PCW names have been pursuing their claim and have met nothing but obstruction from Lloyd's.

Mr. Butterfill *rose*—

Mr. Gould: I shall not give way again because we had a substantial debate on this in Committee.

I remind the House of a matter of immediate and central significance. Lloyd's, in its preparedness to frustrate a decent and honourable solution of the PCW affair, went to the length of deliberately misleading the hon. Member for Edinburgh, Central (Mr. Fletcher) when he was a Minister at the Department of Trade and Industry, to the extent that he was induced to come to the House and tell us a deliberate – not on his part – lie. I say that advisedly. He was given facts and figures that must have been known by those who gave them to him to be false and were subsequently demonstrated to be false.

For those who are looking puzzled, I remind the House that the statement made by the hon. Member for Edinburgh, Central concerned a number of those who were alleged to have passed the solvency test among those who were names in the PCW syndicate. That does not build confidence in the reliability and honour of Lloyd's or in its sense of responsibility, or show that it has learnt any lessons as a consequence of its unfortunate experience.

I could go on. I could refer to the argument with the Inland Revenue, which had to insist that a whole series of activities by Lloyd's members were designed specifically to avoid tax and could not be tolerated. I could point to the circumstances and reasons for the resignation of the then chief executive, appointed by the Governor of the Bank of England to clean up Lloyd's. In other words, there are many signs that, after 1983, Lloyd's is still not to be trusted to look after its own affairs.

The one remaining argument and explanation as to why Lloyd's should be excluded from the Bill, contrary to all the general principles that have been laid down, is the one that the Under-Secretary who will reply to the debate advanced in Committee: the admittedly unusual feature that investors in Lloyd's – its members or names – are a section of the investing public whose interests are, in some senses, in direct conflict with those of another section of the public – the policyholders. While accepting that in any conflict between the interests of the investors and those of policyholders, it must be the latter that prevail to do it justice, that has always been Lloyd's policy, quite rightly – it cannot be argued that the price of meeting and protecting the interests of policyholders is necessary that investors at Lloyd's must have their affairs dealt with at a standard lower than and different from that accepted and recognised as appropriate throughout every other part of the City. I cannot believe that that argument would be seriously supported or advanced by the members of Lloyd's Council or Lloyd's.

True to my undertaking that I would not rehearse at length the arguments that I put in Committee, I hope that I have conveyed enough to suggest that we still believe – if anything, our belief is strengthened by these events – that it is an outrage, a scandal and a dereliction of duty that Lloyd's should be excluded from the Bill. Lloyd's remains the last bastion of private privilege in the City – the last private fiefdom. Unless it is brought within the Bill, it will be impossible to take the Bill seriously.

Mr. Nicholas Baker (Dorset, North): I have not had the privilege of hearing the arguments rehearsed in Committee by the hon. Member for Dagenham (Mr. Gould), but he has been extremely selective in the points that he, admittedly briefly, has put for why Lloyd's should be included in the Bill. The major point that he keeps reiterating is that members of Lloyd's are investors, and that, as I know very well because I declare my interest as a member, is exactly what members of Lloyd's are not. Investors are people who deposit a sum of money and usually get someone else to deal with their money on their behalf, hoping that their investment will increase in that way. Members of Lloyd's are not like that. They are actively engaged in trading, and the fact that some of them take rather less interest in monitoring their trade and ask fewer questions than they should have done, is well known. However, it does not alter the fact that, for tax and in reality, they are traders and not investors.

7.45 pm

Mr. Gould: I intervene to save the hon. Gentleman further embarrassment. If he will take the trouble to read the speech made by the Under-Secretary in Committee, he will see the clearest possible, and extremely helpful,

[Mr. Gould]

exposition of the three respects in which the business undertaken at Lloyd's by Lloyd's underwriters and by the Lloyd's Council is investment business within the definition of the Bill.

Mr. Baker: I am answering the point as to whether members of Lloyd's are investors, and they are not. My hon. Friend has a certain view, but the purpose of the Bill is to protect investors. That was the title of the papers by Professor Gower that originally were the background for the Bill.

Mr. Ashdown: If the hon. Gentleman will not accept the opinion of the Under-Secretary on this matter, perhaps he will be prepared to comment on the remarks of his hon. Friend the Member for Wiltshire, North (Mr. Needham) who complained vigorously in the papers because he was clearly informed that this was a safe investment. Is it not odd that the hon. Member should be out of kilter not only with the Minister but with one of his hon. Friends?

Mr. Baker: If my hon. Friend said that, he was wrong. I am talking about what an investor is. He is someone who in principle is not doing what a member of Lloyd's is doing.

Those who joined as members of Lloyd's, as I did, post 1982, had every reason for concern about the risks that they took, which are completely different to those taken by investors. They have had the confidence to join because of the provisions of the 1982 Act. I have not heard the hon. Member for Dagenham present any case to the House, although he may have done so in Committee, to show in which respects the powers given to the Lloyd's Council by the 1982 Act are deficient, or how the exercise of those powers has been deficient. He has quoted a number of incidents, most of which do not relate to whether the 1982 Act was sufficient for the governance of Lloyd's.

I took confidence. I have another interest to declare because I was one of the promoters of the 1982 Bill. I had at that stage no interest in Lloyd's, but I felt that, in helping to promote the Bill, I was doing something that would give a new framework for the governance of Lloyd's, and that is what we have. In doing that, we had the support of the Committee chaired expertly and successfully by the hon. Member for Oldham, West (Mr. Meacher). He did an extremely good job to see that the rules that Lloyd's would have to apply were tightly defined.

The Lloyds Act 1982 does not offer protection that is any less than members of Lloyd's or the public would derive if Lloyd's were within the ambit of the Bill. If that later turns out to be the case, there will be other opportunities to legislate. There is a good argument for allowing the 1982 Lloyd's Act to do what it was intended to do and to govern in a self-regulating manner those who work in and are members of Lloyd's. It would be wrong and inappropriate for Lloyd's to be brought within the ambit of the Bill.

Mr. Ashdown: It is with some chagrin and no great enthusiasm that I have to tell the hon. Member for Dagenham (Mr. Gould) that while I share his deep anxiety about the way in which Lloyd's is run, and have listened to him putting his impressive case both eloquently and powerfully in Committee and in this debate, I shall not join him tonight in the Lobby.

Mr. Campbell-Savours: Who is under pressure from the large institutions now?

Mr. Ashdown: The hon. Member for Workington (Mr. Campbell-Savours) talks about big city institutions. I shall happily give way to him if he would like to name one big city institution that would be prepared to put any kind of pressure on me. I shall be delighted to hear of it and perhaps I shall be knocking on its door tomorrow.

Mr. Campbell-Savours: Perhaps the hon. Gentleman will tell us if my accusation is correct. Is it not true that a number of very senior people in the Liberal party are members of Lloyd's? Would he like me to give their names?

Mr. Ashdown: I can assure the hon. Member for Workington that if that is the case I do not know either the number or the names. As I recall, the hon. Member who is the adviser to the Leader of the Opposition is also a member of Lloyd's. I cannot remember his name but I believe that the hon. Member for Dagenham (Mr. Gould) knows perfectly well who I am talking about and no doubt Government Members know as well. If the hon. Member for Workington is unaware of the name he ought to make himself aware of it fairly fast before he casts aspersions on others. As far as I know, not one of my hon. Friends is in that position.

The reason I say, with some lack of enthusiasm, that I will not be able to go through the Lobbies with the hon. Member for Dagenham and his right hon. and hon. Friends is not akin to the rather tortuous and theological reasons put forward by the hon. Member for Dorset, North (Mr. Baker) or indeed for the equally tortuous and theological reasons that will be put forward by the Minister if his reply is anything like last time. My reason is quite simply that I do not believe an appropriate way to deal with the problems of Lloyd's is by bringing Lloyd's within the scope of the Bill.

I do not differ in a single word from the hon. Member for Dagenham in the way that he outlined those problems and their impact on the probity of the whole City. I differ from his opinion on the matter because we would be better advised to deal with the problem that he has so carefully outlined by directly amending the Lloyds Act 1982. That would be better than to bring Lloyd's within the ambit of the Bill.

Having said that, it is incumbent on me to say how I wish to see that done. We all know that the Neill inquiry is currently sitting, and I moved an amendment in Committee which sought to give a sort of year's grace until we saw what Neill recommended. The answers that the Neill inquiry should provide are not about whether to do something but about what needs to be done. I have no doubt that something needs to be done, and if the Neill inquiry were to say that nothing should be done, it may well be that it would be right to vote with the hon. Member for Dagenham, because to do nothing about that problem will give rise to considerable difficulties.

I wish to see the problems of Lloyd's resolved through five separate forms of change in policy and that could be done under the Lloyd's Act 1982. We need to tackle directly the reinsurance system and we will have to introduce some system of licensing for reinsurance. There needs to be closer monitoring of the agencies, and that monitoring should include the power of spot checks. There also needs to be closer monitoring of the funds, especially

the personal reserve funds; so that those can be not just checked on 31 December but audited on an efficient basis throughout the year. We need to tackle the problem of conflict of interests, recognising that in the PCW scandal the underwriter not only wrote the reinsurances but managed the company that employed them.

Mr. McCrindle: If the hon. Gentleman sees as one of the solutions to what he poses as the Lloyd's dilemma as the licensing of reinsurers, what steps would he take to license those many reinsurers who are outside these shores?

Mr. Ashdown: The hon. Member for Brentwood and Ongar (Mr. McCrindle) has asked a fair question. I did not go into that kind of detail because I did not think it was appropriate. However, he asked the question and I shall give him a reply. It would not be difficult for those people in reputable companies in places like the United States, Canada and Australia to have reciprocal agreements which would ensure that those licences were effective. In such cases as offshore reinsurance houses which are not directly licenced there ought to be some kind of authority required to use those agencies for reinsurance. It would be proper and appropriate for auditors to report back and reassure those people who have placed money through Lloyd's in that sector that the reinsurances have been carried out correctly.

It is important to cope with the conflicts of interest that I have discussed, and vitally important that the Secretary of State should be able to appoint, and be accountable in the House for, the chief executive of Lloyd's. Those are the things that should be done, and for that reason I support the sentiment of the hon. Member for Dagenham, but bringing Lloyd's into the ambit of this Bill would create a special new dimension of problem for the SIB in its early days and create a situation which would be cumbersome and difficult to manage. Of course it would not swamp the SIB, but it would certainly inhibit the formation in the SIB of the kind of action which would be effective to control the market place. That will be difficult enough to do within the time frame anyway.

Mr. Gould: I am puzzled by the hon. Gentleman's last point. Does he not expect that we are asking the SIB to rely upon SROs which do not yet exist? Why should Lloyd's, which proclaims that it has a wonderful record of self-regulation, pose such a problem to the SIB?

Mr. Ashdown: The hon. Member for Dagenham has carried out his research carefully and well and has been deeply immersed in this subject for some time. No doubt he has spoken to Sir Kenneth Berrill on this very matter. Of course we should not accept Sir Kenneth Berrill's word as the last word on the subject, but the hon. Gentleman may know as well as I do that Sir Kenneth has said that to take on Lloyd's would overstretch the capacity of the SIB precisely because the SIB's main task is to get the other SROs off the ground within the time frame that is available. Sir Kenneth Berrill is a reasonable judge of these matters and I am impressed by his arguments.

It is not just a matter of taking over an existing SRO in the case of Lloyd's, but a matter of taking over a malfunctioning inefficient SRO that is not fulfilling its opportunities and its rules effectively. That will overstretch the resources available to the SIB. I share the description of Lloyd's given by the hon. Member for Dagenham, and I share his concern about the damage that that has created. I have to depart from him on my point about waiting for the Neill inquiry report and then properly and appropriate amending the Lloyds Act 1982. That is the better way to bring about the reforms that he and I agree are essential.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): I do not intend to detain the House by rehearsing the arguments that were put forward in Committee. I can help the hon. Member for Yeovil (Mr. Ashdown) and the House by reporting the main conclusions of the Neill inquiry. First of all, I should like to say how we reached those conclusions. When this Bill was introduced into Parliament, there was the threat of a Back-Bench revolt by some Government Members and the Neill inquiry was set up to buy time and to buy them off. Sir Patrick Neill has effectively concluded his inquiry and has reported that he believes there are a number of aspects about the situation at Lloyd's that need to be cleared up. He is not sure whether or not changes will be required to the Lloyds Act 1982.

Sir Patrick has also reported that he does not believe that it would be appropriate to bring Lloyd's within the ambit of the Financial Services Bill or to bring it under the aegis of the Securities and Investments Board. Nor does he believe that it would be appropriate for any other body to be put over the existing Lloyd's machinery.

Sir Patrick was in effect asked to carry out a political task by the British establishment. He has performed that political task. He has reported to the British establishment and the British establishment is grateful. I understand that it will not be long before Sir Patrick reports the findings to the Minister who will then be able to come to the House and question me about them.

Mr. Nicholas Baker: The hon. Gentleman is obviously a member of the British establishment. Could he let me have a copy of the report?

8 pm

Mr. Sedgemore: The hon. Gentleman is one of those with whom I sympathise. He is out in the cold and in order to find out what is going on in the British establishment one literally needs contacts in the highest places. What I have just told the hon. Gentleman is the truth. I hope that the report will not be too long delayed. There are a number of hon. Members in the House who know those facts and I hope that it will not be too long before the Minister is informed. Then we can have a fuller discussion about the individual points which Sir Patrick has raised.

Mr. Baker: The Minister apparently is not part of the British establishment.

Mr. Sedgemore: That may well be right. This Minister is not part of the British establishment, as I understand it.

I realised that this was the kind of report that Sir Patrick was going to produce when I was going through the questions of one of the witnesses who was being questioned by the Neill committee. This does not contain the report, but Mr. Dennis Allport who, as everybody knows, is one of the members of the Committee, seemed to me, in asking a rather elongated question, to give expression to all the kind of worries that Labour Members have.

[Mr. Sedgemore]

I simply read out that one question that Mr. Allport asked of the witness at the hearing who gave me the papers and to whom I have spoken on a number of occasions. Mr. Allport said:

"If you set up a body, say, along the lines of the SIB to overview Lloyd's, that would involve a degree of much more stringent control. Do you not think that that might detract from some of the strengths of Lloyd's, namely its flexibility and the fact that it works? I readily accept there have been some awful scandals and real nonsenses, but they are the sort of headline grabbing stuff. During that period, though, nevertheless the balance of payments of this country has been greatly enhanced by the fact that Lloyd's exists at all. Despite all that has happened, it has a very big reputation still, and still does a very significant amount of business. If in fact you brought in over Lloyd's some regulatory agency of the type that you are mentioning, what are your views as to the extent to which that could undermine the way Lloyd's do business?"

I find that statement by Mr. Dennis Allport deeply disturbing, because he begins by saying that he does not want stringent control and that is bizarre. He goes on to draw a fantastic logical non sequitur which is that somehow if one has more stringent control by putting a body over Lloyd's, that would damage the balance of payments. That, as I put to one of the top members of the British establishment yesterday, is simply nonsense. Nobody in his right mind could make that assertion. What he is really saying is, "Yes, we have had a number of scandals and we are a bit upset about those, but let us forget all that and let's get on with the Lloyd's Act 1982."

The only other point that I want to make is simply that my hon. Friend the Member for Dagenham (Mr. Gould) was right. I am not worried about the Stock Exchange because I constantly contrast what I believe to be the integrity of the people who run the Stock Exchange with what is happening among those who are fairly near and at, or were at, the top of Lloyd's, and a number of them are still fairly near the top of the Lloyd's tree. It is difficult for the public and Parliament to trust them. On Second Reading I outlined some of the difficulties of trust that had occurred – I do not want to go through that again – over Sir Peter Green, a past chairman of Lloyd's, in relation to the case of Unimar. When I submitted some evidence to Sir Patrick Neill I raised that issue with him. I said that it had all been going on for seven years and that seems to be too long to find out the truth of what happened.

I was able to produce in the House papers which suggested, I put it no higher, that there was a prima facie case of serious dishonesty in this case. I picked up my *Sunday Telegraph*, which is not a paper that I usually read, but I am told that its news reporting is accurate – I am told that it is another establishment paper – and I saw an article by Christopher Elliott which said that the Department of Trade and Industry had completed its report on Unimar. It says here that there were serious criticisms of Sir Peter Green and senior members of Lloyd's – that is the same argument that we are adducing in this Bill – and that the report is going to the Director of Public Prosecutions.

I am happy to tell the House that a Minister at the Department of Trade and Industry, whom I thank, said, in answer to a question from me asking him to publish the report, that he will do so as soon as possible. I congratulate him on that. The Attorney-General has said that he now has that report into Minet Holdings plc and WMD underwriting agency and he is considering what goes on.

Labour Members are concerned with many other things which we have set out before. We are deeply disturbed at the kind of attitudes developed by the kind of people at the top of Lloyd's who have been running that particular part of the City. Of all the bodies which one might exclude on that one ground alone, it is extraordinary that Lloyd's should be the one that is excluded. Something must be done either about the Lloyd's Act or about changing it.

I have just been talking about Unimar and the seven-year delay. It is right to ask how one licenses the reinsurers when they are set up offshore. How would that have been done in the Bellew Parry Raven case? Those companies were set up in Bermuda by Bermudan lawyers who were the directors and shareholders. It is virtually impossible. But those companies were founded in 1970 and it is now 1986 – 16 years on. My understanding is that Lloyd's has asked its solicitors to draw up charges against the people involved. It will be another two or three years before those charges have been heard. There will be an appeal and that will take another year. The papers may go to the Director of Public Prosecutions and we shall be in the 1990s before we know anything about what went on.

What is the purpose of having a regulatory organisation when it can take 20 years before we can draw the appropriate lessons from what went on. Of course it is nonsense. Of course it is a scandal. Of course it is unsatisfactory.

Mr. Butterfill: I had not intended to speak on this issue, but I shall do so briefly simply to say that I am rather surprised at the Opposition's attitude on this. The relevant point here is that the general public should be protected by legislation. That is the purpose of the Bill. Lloyd's is impacting most upon the general public amongst those who take out insurance.

All that Labour Members have done is to say that there have been one, two, three or possibly four bad apples in Lloyd's. Of course, there are in any organisation, but the really important point that the House should consider, and the message that I hope will go out from the House if we have any concern for the standing of the City, its well-being and Britain's overseas earnings, is that no person who has taken up insurance with Lloyd's has lost any money as a result of any of the scandals. All insured persons have had their claims met in full. That is what is important for the insurance industry and for those who use the British insurance industry from overseas to understand. There is no risk to them. There have been a few bad apples, but the overriding important thing is that the public has not been prejudiced in any way.

Mr. Campbell-Savours: The hon. Member for Bournemouth, West (Mr. Butterfill) has got it all wrong. There are 25,000 investors in Lloyd's and they are named in a book that I have in my office. Of the investors, 99·9 per cent. recurring regard themselves as investors. Apart from those who are politically motivated, the investors look to the House of Commons to provide adequate investor protection arrangements to cover their interests. That is why the Labour party, without the support of the Liberal party, has for sometime relentlessly pressed for the inclusion of Lloyd's in the financial legislation.

Mr. Butterfill: Can the hon. Gentleman name one of them? Apart from the PCW syndicate, who has asked for the legislation?

Mr. Campbell-Savours: The problem is that many Lloyd's investors speak of their affairs in confidence. I have seen correspondence to and from hon. Members expressing anxiety about arrangements in Lloyd's. I do not intend to identify the hon. Members involved. If the hon. Gentleman has done his homework, he will have seen the correspondence. There are hon. Members present tonight who have also seen that correspondence. We all know that there is anxiety among investors.

It is crucial that we take action in that area. The framework of the legislation is the way forward.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): I address my opening remarks to my hon. Friend the Member for Dorset, North (Mr. Baker), because I would not wish him to leave the debate with the impression that there is something between us as regards the definition of the mainstream business of Lloyd's. Of course the mainstream business of Lloyd's is insurance and the underwriting of risks. My hon. Friend may not have benefited from the advantage of participating in our long debates on Lloyd's in Committee and may not be fully aware of clause 67, which says, to paraphrase a well-known American songwriter, "It ain't what you do, it's the way that you do it."

It is the way in which Lloyd's conducts its business, not so much the product in which it trades, that can be defined as a collective investment scheme. That may be regarded as a somewhat semantic point, but it is worth emphasising because I would not wish my hon. Friend to think that Ministers suffer under some misapprehension as to the type of product in which Lloyd's trades.

It is no surprise that the amendment should have been moved. It concerns one of the major differences across the Floor of the House. As hon. Members will know, the Neill inquiry is well under way; Sir Patrick and his colleagues have been at work for some months. They have received many written submissions and are taking oral evidence. We look forward to their report.

I digress briefly to remark on the interesting and incredible observation made by the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore). He tried to tempt us to give some details of the preliminary findings of the Neill inquiry's investigations.

Mr. Sedgemore: The Minister has got it wrong.

Mr. Butcher: I can only assume that that is why the hon. Gentleman made his speech in the terms that he did.

Sir Patrick was originally asked to present his conclusions by the summer. The Neill inquiry has received a considerable volume of written material and is in the midst of taking oral evidence. It is unlikely that it will have completed taking that evidence before the middle of July. Where the hon. Gentleman gets the idea that a report is simmering away to which he has exclusive access, I do not know. Nor do my officials in the Department have any idea of the report's conclusions.

Mr. Sedgemore: I shall tell the Minister at the back of the Chair afterwards. I shall give him the person's name.

Mr. Butcher: I would be grateful to the hon. Gentleman, but he has made a career of making this sort of observation. I refer him not only to the need to make those observations in public when it is desirable, but to put evidence to the Director of Public Prosecutions, which he has not done in the past, in a manner that will help him to bring prosecutions rather than divert his energies from serious investigations to chase the hares which the hon. Gentleman starts running. To pursue the investigations may be counter-productive. I refer to a letter written to the hon. Gentleman by the fraud investigator which he chose to make public.

8.15 pm

The Neill inquiry will need time to consider the substantial body of evidence. It is essential that it has the opportunity to analyse the issues thoroughly. Because of that, the inquiry said, and we have agreed, that we should not expect its report until the autumn. As we originally announced, it will then be published.

On Second Reading and in Committee, we debated Lloyd's at length. The Government's case remains that, although we are well aware of the problems that have arisen at Lloyd's, it has, as recently as 1982, set up its new regulatory structure. It is not right to condemn that newly reformed structure now. We set up the Neill inquiry to consider whether the system set up to protect the interests of members of Lloyd's provides comparable protection to the system we shall set up under the Bill for investors in general. Until we have Sir Patrick's conclusion, it would be wrong to proceed further.

I remind the House that in December, before the Neill inquiry was set up, the Prime Minister said that we were watching events at Lloyd's closely and would not hesitate to take whatever legislative or other action was necessary. We have set up an inquiry and expressed our will to act should our consideration of the conclusions of the inquiry show that to be necessary.

Against that background, the Opposition's repeated demand to apply the Bill to Lloyd's is unjust and unwise. It is unjust because, having set up the Neill inquiry, we must allow it to do its work and not pre-empt its conclusions. Deleting clause 40 amounts to that, because it would subject underwriting agents of Lloyd's to a new and separate regime from that in the Lloyd's Act. It is unwise because, as we explained at some length in Committee, the Bill is not a suitable instrument for the protection of members of Lloyd's.

It might help the House if I briefly deployed elements of that case again. The Bill is about the protection of investors. The business of Lloyd's is complex, and the legislation governing it must have regard to two factors: first, the protection of the members of Lloyd's as investors in insurance business; but, secondly, and more importantly, the protection of the ordinary holders of Lloyd's insurance policies. The paramount public interest is to ensure that insurers meet their liabilities, and in that Lloyd's has been singularly successful.

Those two aims — investor and policyholder protection — must often conflict. A well-known example of the conflict which lies at the heart of Lloyd's is the principle of unlimited liability, or the ultimate punt as it has been called by some commentators. The unlimited liability of members of Lloyd's to meet claims is an important protection for policyholders, but it is hard to appreciate it as a measure of investor protection for the members of Lloyd's. The regulation of Lloyd's must be carefully balanced between those two antagonistic aims. Simply throwing the activities of Lloyd's into the Financial

[Mr. Butcher]

Services Bill, as the amendment proposes, will not achieve that balance. A special regime to integrate the two systems would be required to achieve that balance.

We have drawn attention to the length and complexity of schedule 8, which achieves that balance with long-term insurance companies where investor protection on marketing matters covered by the Bill must be balanced with the regulation of solvency under the Insurance Companies Acts by my Department. The schedule is long and complex, but it deals with a far simpler problem, not least because in the case of long-term insurance companies the investors and policyholders whom we are trying to protect are the same people. At Lloyd's they are not.

I hope that the House will therefore wait for the report of the Neill inquiry before reaching any conclusions. I appreciate that the hon. Member for Hackney, South and Shoreditch will probably say that he wrote half of it. I hope that the House will also accept that this Bill is not the appropriate vehicle for regulating Lloyd's, and I advise hon. Members to reject the amendment.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. Before any Division, will you enlighten the House about the position of those hon. Members who are members of Lloyd's and who wish to vote?

Mr. Deputy Speaker (Sir Paul Dean): I remind the House of a ruling given by Mr. Speaker on this very point at an earlier stage, namely, that this is a matter of public policy, and every hon. Member is entitled to exercise his vote.

Mr. Gould: I shall be brief. The Minister is to be congratulated in that his argument that we must wait for the Neill report before addressing the question whether Lloyd's should come within the terms of the Bill is a magnificent example of back to front reasoning. The one point on which I agreed with him was that this remains an issue that divides the two sides of the House. I regret that we shall not have the support of the Liberals in the Lobby, but we shall give effect to the divide that separates us on this issue by pressing the amendment to a Division.

Question put, That the amendment be made:

The House divided: Ayes 42, Noes 164.

Division No. 222] **[8.20 pm**

AYES

Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Bennett, A. *(Dent'n & Red'sh)*
Campbell-Savours, Dale
Carter-Jones, Lewis
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Crowther, Stan
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dormand, Jack
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Foster, Derek
Freeson, Rt Hon Reginald
Gould, Bryan
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Leighton, Ronald
Lewis, Terence *(Worsley)*
McDonald, Dr Oonagh
Madden, Max
Millan, Rt Hon Bruce
Nellist, David
Orme, Rt Hon Stanley
Pike, Peter
Roberts, Allan *(Bootle)*
Robinson, G. *(Coventry NW)*
Sheerman, Barry
Smith, Rt Hon J. *(M'ds E)*
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Wilson, Gordon
Winnick, David

Tellers for the Ayes:
Mr. Allen McKay and
Mr. John McWilliam.

NOES

Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Bellingham, Henry
Benyon, William
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dicks, Terry
Douglas-Hamilton, Lord J.
Dunn, Robert
Emery, Sir Peter
Evennett, David
Fallon, Michael
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gorst, John
Greenway, Harry
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hayward, Robert
Heathcoat-Amory, David
Hickmet, Richard
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Hunter, Andrew
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Robert *(Herts W)*
Joseph, Rt Hon Sir Keith
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Farehm)*
McCrindle, Robert
MacKay, John *(Argyll & Bute)*
McNair-Wilson, M. *(N'bury)*
Major, John
Malone, Gerald
Marlow, Antony
Mather, Carol
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Nelson, Anthony
Newton, Tony
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Percival, Rt Hon Sir Ian
Powell, William *(Corby)*
Proctor, K. Harvey
Rhodes James, Robert
Ridsdale, Sir Julian
Rossi, Sir Hugh
Rowe, Andrew
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Spencer, Derek
Spicer, Jim *(Dorset W)*
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*

Whitfield, John
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Tim Sainsbury

Question accordingly negatived

Clause 41

EXEMPT REPRESENTATIVES

Amendments made: No. 64, in page 25, line 33, leave out 'exempt' and insert 'appointed'.

No. 65, in page 25, line 36, leave out 'exempt' and insert 'appointed'.

No. 66, in page 26, line 7, leave out 'exempt' and insert 'appointed'.

No. 67, in page 26, line 16, leave out 'exempt' and insert 'appointed'.

No. 68, in page 26, line 27, leave out 'exempt' and insert 'appointed'. *[Mr. Howard]*

8.30 pm

Mr. Nelson: I beg to move amendment No. 69, in page 26, line 29, at end insert

'(5A) The regulations made for the purpose of this section shall make provision to require exempt representatives to inform any person whom they procure to enter into an investment agreement that the cost or premiums payable under each individual agreement will be the same whether that agreement be entered into through the exempt representative or any authorised person.'

The amendment seeks to extend the disclosure requirements on company representatives of insurance and life assurance agreements. In so doing, it seeks to extend the principle of equivalence, about which much has been said in Committee and prior to the introduction of the Bill.

Clause 41, which deals with exempt representatives, was the subject of a good deal of debate in Committee. It was in that debate that a number of Members, particularly Conservative Members, drew attention to their continuing concern about product bias and company bias and in particular the large number of representations that they had received from many independent intermediaries as well as others involved in the sale of life assurance agreements involving investment about the prejudicial impact of the clause and the other arrangements that were being made to try to ensure more adequate standards of disclosure.

As a result of acceptance by my hon. and learned Friend of some of the disquiet felt, he played, I believe, an important and instrumental part in urging MIBOC to come forward with a document on how it saw the arrangements for the supervision and the status of the various people who would be involved in these activities.

The document was published in April and, despite some misgivings of practitioners and commentators, has received a broad degree of support for what was proposed. This applies in particular to its conclusion that should be a polarisation imposed regarding the activities of company representatives and independent intermediaries by which the traditional role and activities of the tied agent who might represent a number of different companies would be ended. There would be only two sorts of practitioner in the market and, potentially, knocking on Aunt Agatha's door — the company representative and the independent intermediary.

It was also proposed in the document that disclosure provisions on commission should attach to the categories of salesmen and representatives. They would be required to say that the commission they would be receiving fell within a commissions agreement that it was hoped — it still is hoped — to establish between the various life companies operating in this sphere with company representatives. They would have to declare the actual commission in comparison with the commissions agreement; that is, if it were more than the commissions agreement, they would have to state the amount of commission that they were receiving and compare it with the amount of commission under the commissions agreement if it had been established.

In making these proposals, MIBOC drew attention, I think rightly, to the fundamental difference in status between a company representative and an independent intermediary. The latter is unambiguously a representative of the company, owes no allegiance to anyone other than the company and is overtly out to sell its investment products and life insurance products while the independent intermediary by his very nature is an agent of the investing member of the public and is in a quite different position from the company representative. Many of the disclosure provisions and other requirements placed upon these two categories flow from that fundamental difference. I think that this is well put in the document and is widely accepted.

The document proposals have gone quite a long way to alleviate some of the deeply felt fears of independent intermediaries about the extent to which they would be placed in a prejudicial position in the market place, in particular by having to declare a commission, whereas those who were company representatives would have no similar requirement placed upon them. It is exceedingly difficult for a member of the public who has never before been subject of any such approaches or sales tactics to know that there is any difference in status of the people who knock at their door trying to sell them exactly the same investment product. However, it is important to establish this difference for the purposes of supervision and proper regulation of the market.

It was feared by independent intermediaries that the requirement on them to declare their commission without a similar requirement on company representatives would be a serious negative sales factor and might deter many people from placing their investment for life assurance through independent intermediaries because it will be felt that a better deal will be done by going to the company direct or dealing through an employee or company representative of the life assurance company concerned.

Concern was also expressed by independent intermediaries and many Members of Parliament prior to Committee consideration of the Bill about the principle of equivalence. This principle should be cherished, and we should be careful not to introduce into the market place different requirements on categories of people selling exactly the same product.

Since the publication of the MIBOC document, there have been expressions of concern as to whether there will be a commissions agreement at all. It is feared that insufficent agreement will be reached among the principal companies involved; that, if there is an agreement, many

[Mr. Nelson]

people will fall outside it, or that it will not be written into the rules of the SRO or insisted upon by the SIB so that to all intents and purposes there will be no commissions agreement.

If that is so, one of the fundamental points behind the MIBOC proposals falls away, and we are left again with a prejudicial position for independent intermediaries in the market place. They will still be required to disclose their commission whereas the company representatives, in the absence of a commissions agreement, will have to declare the commission, but in their case it will be a very small amount. The remuneration that they receive may be a variety of other benefits — salary, bonus or a cheap mortgage that they receive from their company. Therefore, the commission that they have to declare will be very small. Yet that position will be quite unrepresentative for members of the investing public because the cost to them of entering into the agreement, whether through the company representative or an independent intermediary, will be exactly the same.

Like other hon. Members, I have received a great deal of representation from those affected, both during the Committee stage and subsequently. There might be a case for an amendment along the lines of that which I have tabled, which seeks to place a duty on exempt representatives to notify investors that the cost of entering into an investment agreement, by way of premium or cost involved, will be exactly the same whether they do it through a company representative, direct with the company concerned or through an independent intermediary.

The advantage of the amendment is that it extends the principle of equivalence, it does not blemish the integrity of MIBOC proposals and, last but not least, it is even more important if no commissions agreement is established. If the amendment were accepted, I hope that it would not be read by the companies as an alternative to a commissions agreement — the amendment is an addition to that. Basically, under the present proposals an independent intermediary must declare his commission, while a company representative does not have to do so, but say only that it falls within certain minimum standards agreed in the industry. Under the amendment, he would have to say that the commission that he received fell within that standard, but must point out to the public that from whomever they buy their investment agreement, it will cost them exactly the same. Therefore, all practitioners in the market will be obliged to point out to the public that while they are rightly declaring the commission, it will not be cheaper to buy that investment agreement through anyone else. By having a statutory or some other firm duty placed upon them so to declare, we will substantially overcome the negative sales factor about which many independent intermediaries still complain, despite the production of this document.

I hope that my hon. and learned Friend the Minister will favourably consider my amendment. I ask him to say to what extent he considers the commissions agreement, according to latest information, to be likely or unlikely, and to what extent he feels, even if he is unable to accede in law to the amendment — I claim no rectitude of drafting — there may be other means of achieving the same purpose. The purpose can surely be unobjectionable as it will seek in large measure to rectify a wrong and a grievance that are still felt by many people who offer members of the public an important service that should not be prejudiced in the way that I fear it otherwise will be.

Sir Peter Blaker (Blackpool, South): I have no financial interest in the amendment, but my son is a finance broker and I am grateful to him for stimulating me into taking an interest in this important matter. I entirely support my hon. Friend the Member for Chichester (Mr. Nelson). I wish to make one or two supplementary points.

I welcome the proposal for polarisation in the latest MIBOC document — it is a useful step forward. However, I believe that those proposals, or whatever arrangements may be made, could go further in the directions of consumer protection and fair competition. My hon. Friend has described the proposals as they differentiate between independent intermediaries and company representatives on the matter of disclosure. I believe that they are not fair as between those two groups.

I have had the benefit of discussions with MIBOC, to which I pay tribute as it has been extremely helpful in clarifying for me the position. It has confirmed that there is still a great deal of anguish among the independent intermediaries. Even if a commissions agreement is made — I endorse wht my hon. Friend said about the importance of that — as things now stand I do not believe that the present proposals will be satisfactory.

8.45 pm

I believe that equivalence can be achieved on the lines of the principle contained in the amendment, even if its exact wording may not be precisely right. What objections can be made to our proposal? A distinction is made between independent intermediaries and company representatives in respect of the law of agency. I accept that their positions are different, but that is beside the point — it need not prevent us from ensuring that better information is provided to the consumer and that there is a fairer system of competition between the two parts of the industry.

The second objection to complete equivalence between the two parts of the industry is contained in paragraph 77 of the latest MIBOC document. That shows that there are practical considerations that make that difficult. Very often the commission earned by the company representative is on an entirely different basis from that earned by the independent intermediary. That is a valid point.

My hon. Friend and I are trying to bypass that problem. We are focusing not on commission earned but on charges, costs or premiums. Those charges, costs or premiums are the same to the client whatever channel may be used to make the contract.

I have three letters from leading life companies on that point. One is from Allied Dunbar, which states:

"I confirm that none of the charges under our policies are geared to the introducing source."

Another, from Royal Life Insurance, states:

"the charges levied on my Unit Linked products are defined at the outset and are irrespective of the source of the introduction to the company be it on independent intermediary, a company sales person or a direct enquiry."

This is true also of with-profits policies. Another letter from Legal and General (Unit Assurance) Limited is on similar lines. We have the opportunity to obtain real equivalence by taking advantage of that fact.

I wish to say a little more about the question of a commissions agreement. When my hon. and learned

Friend replies I hope that he will tell us what he feels are the prospects for obtaining such an agreement. MIBOC says that I cannot assume that there will be such an agreement. Many of those who were concerned about the matter during the Bill's Committee stage assumed that there was certain to be such an agreement.

One reason why we cannot be sure that there will be an agreement is that it will depend not on the independent intermediaries, who will be directly affected by whether or not there is an agreement, but on the decision of the life companies. furthermore, MIBOC says that it would feel it essential, if there is to be an agreement, that it should be supported by the vast majority of the life companies. But their interests may not be the same as those of the independent intermediaries. Incidentally, they will be members of different SROs so there will not be a common membership.

In recent years there has been a trend towards more and more direct sales, and it is quite legitimate for the life companies to aim for that. However, we would be wrong to create an artificial disadvantage for the independent intermediaries. That is really what is presently proposed. I am all in favour of fair competition, and so are the independent intermediaries with whom I have discussed the matter, but I believe that it would be wrong to have an artificial bias against the independent intermediaries.

The chairman of the MIBOC is the chairman of one of the principal life companies which concentrates on direct sales. He has had a distinguished and successful career and I make no criticism of him. I merely say that it will be unfortunate, bearing that in mind, if there is seen to be a lack of equivalence and a bias against independent intermediaries. It is important in that context that there should be real equivalence. Justice must be done and it must be seen by everyone concerned, including independent intermediaries, to be done.

We have raised two problems which it is important should be resolved. We have the question whether there will be a commissions agreement and there must be real equivalence between the two sides of the industry. When my hon. and learned Friend the Minister replies, I hope that he will give us some reassurance about the probability of there being an agreement. I hope also that he will be able to give us an undertaking that he will do what he can to ensure that there is proper equivalence either in the Bill itself, or by the use of the powers which are available to him under the Bill.

Mr. McCrindle: I shall take a very few minutes of the time of the House to add my voice to those of my hon. Friend the Member for Chichester (Mr. Nelson) and my right hon. Friend the Member for Blackpool, South (Sir P. Blaker) in support of the amendments.

During the rather lengthy passage of the Bill through the House, much time has rightly been spent on investor protection. A good deal of attention has been paid also to creating a fair and competitive atmosphere within which different agencies and different types of person will have an equal opportunity of selling to the public. This approach to equivalence is justified and the amendment turns our attention yet again to this subject.

There is a good deal of confusion in the public mind, and probably in the minds of a number of Members, about commission and how it is paid. For example, there is an assumption that it must be cheaper to purchase product A direct from the company which produces it rather than by buying the same product through an independent intermediary. The aim of the amendment is to make it a requirement that it is communicated to the prospective purchaser that that is not so. It is the gross premium which is important, because that is what the purchaser of the policy will pay irrespective of the agency through which he purchases it, and in all instances it will be precisely the same. To require that some statement to that effect be made comes a great deal closer to the equivalence of which I have spoken.

Not surprisingly, there may be a tendency among insurance company representatives who are attempting to sell their products by approaching the public direct to imply, or even sometimes to state out of ignorance, that the price of the product is not always the same. I do not think that those representatives should be able to take advantage of being able to make statements of that sort. If the amendment were to be added to the Bill, they would be unable to do so.

A good deal of time was spent in Committee discussing disclosure, and I think that the Committee was wise to spend its time in that way. I have always been mildly sceptical about the use to which information on the commissions payable on a policy would be made, or could be made, by the prospective purchaser of a policy. Nevertheless, that element of disclosure is being required, and I accept that.

This is an appropriate juncture to ask, as my right hon. Friend the Member for Blackpool, South has done, about the present status of the proposed industry agreement on commissions. The House will recall that the idea is that, if such an agreement can be reached and if an independent intermediary is not receiving more than the commission laid down within the agreement, specific disclosure will not be required. The assumption that there is something inevitable about the commission's agreement must be heavily discounted. The House will remember the register of life assurance commissions. That was a voluntary effort and the result was something on broadly the same lines as that which we are discussing when we talk about an industry agreement.

ROLAC was brought to life, but it limped for a long time. Even when it saw the light of day, many companies refused to become members of it. Let us assume that there are 150 companies on the British market. If no more than 30 of them were to come together to form a commissions agreement, does my hon. and learned Friend think that that would be acceptable? Is there a minimum level below which he would consider it would not be worth referring to such an agreement as an industry agreement? If it is impossible for the appropriate SRO to bring together a sufficient number of companies to create an agreement, could the SIB step in and require the SRO to take further steps, or could it take steps itself to create a commission's agreement?

We must contemplate the possibility that ultimately there will be no agreement and no possibility of reaching one. In the circumstances, we are entitled to know tonight, as we come close to the end of the consideration of the Bill in this place, just what would happen in the circumstances that I have outlined. Would we revert to no obligatory disclosure, which is the present position, or would there be, through some clause or subsection which I have overlooked, an automatic requirement for full disclosure, which is not the compromise that the MIBOC presented? It was wise of my hon. Friend the Member for Chichester

[Mr. McCrindle]

to move the amendment and I hope that it will be added to the Bill. If that is not possible for some reason, I hope that my hon. and learned Friend the Minister will address himself to some of the important considerations to which I have referred.

Mr. Howard: My right hon. and hon. Friends have done the House a service in giving us the opportunity to discuss the important issue of the regulation of insurance intermediaries under the Bill. I hope that they will not press the amendment to a Division because, as I shall explain, it suffers from a number of defects. Nonetheless, I hope that I can offer them some comfort on the substance of it.

I am grateful to my right hon. and hon. Friends for the welcome which they gave to the MIBOC document. I take this opportunity of paying tribute to the MIBOC for responding so effectively and so quickly to the request which I made of it in Committee. I made that request at a time when it was anticipated that Report and Third Reading might take place at a rather earlier stage than they have. The MIBOC responded most energetically to my request and I am happy to have this opportunity of paying tribute to it.

Mr. Gould: As I do not propose to make any substantive contribution to the debate, I wish to associate the Opposition with the tribute which the Minister has paid to the MIBOC.

Mr. Howard: I am grateful to the hon. Gentleman.

I shall explain briefly some of the problems with the amendment. Clause 41 is a general clause, the main point of which is to put appointed representatives — that is, essentially self-employed persons working for an authorised business under a contract for services — in the same position as employees of an authorised business. We expect that the majority of people who will become appointed representatives will be insurance and unit trust salesmen, but it is a clause of general application and representatives will be appointed outside the area of insurance.

9 pm

If one considers that point one can see a real problem with the amendment. There may be all sorts of investment agreements that those appointed representatives may lead their customer into, and the cost or premiums payable could be very different if the same agreements were sold by authorised businesses. I am sure that the House would not want to require appointed representatives to make an untrue statement. There may indeed be no way in which the appointed representative could know what cost or premiums were payable under investment agreements offered by authorised businesses.

Apart from being in one sense too general for its purpose, the amendment is in another sense too specific. It relates only to appointed representatives. It would have no implications for salesmen employed directly by insurance companies. Yet I am sure that my right hon. and hon. Friends would agree that if there is merit in the proposal they are making, it should apply, to use MIBOC's jargon, to all company representatives, whether employed or self-employed. Depending on the particular wording of the statement to be made, there might even be a case for requiring independent intermediaries to make an equivalent statement.

Turning to the substance of the amendment, the issue of the rules to regulate insurance intermediaries, whether independent or company representatives, raises some difficult questions and has aroused a good deal of comment from interested parties. I expect that we shall have a fuller discussion on those questions when we come to the Government amendments to schedule 6, nos. 176 and 177, which were prompted by the useful discussion we had in Committee on the subject. However, let me make it clear that I consider it important that the different rules which are applied to the different functions of insurance broking and representing an insurance company do not in practice give one or the other an unfair competitive advantage in the market place. That was the basic point that underlines the observations made by my right hon. and hon. Friends.

It has been suggested that that could happen because company representatives might suggest that they do not receive commission and might imply that the customer thereby gets a better deal by acting through them. A representative who did this would, I suggest, have to be very careful not to commit a breach of the conduct of business rules, or even a criminal offence, by misleading the consumer.

My right hon. and hon. Friends have made an interesting proposal on the sort of statement company representatives should make. It is a proposal which I shall want to reflect on further and doubtless MIBOC shall want to do so also. As the comments I made earlier on the amendment suggest, this is a difficult area on which to draw up rules. As I understand it, although premiums of on policies are now generally the same whether policies are bought through company representatives or independent intermediaries — that point was made by my right hon. Friend the Member for Blackpool, South (Sir P. Blaker) — there is no guarantee that this is always the case or that it will continue to be so.

One would have to consider what sort of statement might be made when the premiums paid differed depending on the particular sales outlet. One would also want to consider whether companies might seek to get round a rule of this sort by changing the premiums they charged to favour their preferred sales outlet. In the case of companies which specialised either in selling through independent intermediaries or company representatives, a comparison might be drawn up which could be misleading to the consumer. On the other hand, it is Government policy to leave companies' pricing policies to market forces and for them not to be Government controlled.

At first sight, the ideas of my right hon. and hon. Friends seem interesting, and I shall want to have them pursued. MIBOC is at the moment drawing up conduct of business rules on which it will be consulting. I shall ask it to consider whether there is a case for a rule to meet the concerns of hon. Members. May I stress that detailed rules of this sort are for the board to make. We in this House are unlikely to arrive at formulae in which practitioners will be unable to find loopholes.

My right hon. and hon. Friends raised the likelihood of a commissions agreement. My right hon. Friend the Member for Blackpool, South asked what the chances were of a voluntary commissions agreement for independent intermediaries. In the White Paper on

financial services, the Government clearly envisaged that, subject to the competition regime, there could be such an agreement, with disclosure by reference to it. Since then, MIBOC has considered the issue and has concluded that disclosure that commission is within a voluntary industry agreement is of more use to the investor than full disclosure, since under the latter the investor would not have a clear idea whether his agent was receiving more commission on a particular policy than was generally the case on competing policies.

We expect that the SRO for insurance companies and unit trusts will include a commissions agreement as a part of its rules, although members of the SRO would be free not to abide by the agreement. For those who did, disclosure would be by reference to it, and for those who did not full disclosure would be made. The Life Assurance and Unit Trust Regulatory Organisation (LAUTRO) which as hon. Members may know is seeking to become the self-regulating organisation in this area, has plans for such a system. In this it has the support of the majority of the life offices, which have already come together in the Registry of Life Assurance Commissions, with a view to establishing a voluntary commissions agreement.

Companies representing about 80 per cent. of the market have given their support to ROLAC. Apart from their concern for the impact of excessive competition in commissions on the impartiality of intermediaries' advice, they are also, of course, concerned by its impact on their finances. That concern would be shared by all insurance companies. We have grounds to expect that there will be a considerable incentive for those companies to enter into the type of agreement desired by all my right hon. and hon. Friends who have spoken. I hope that the totality of the matters to which I have referred will give a good deal of comfort to my colleagues. In those circumstances, I hope that my hon. Friend the Member for Chichester (Mr. Nelson) is prepared to withdraw the amendment.

Mr. Nelson: I am obliged to my hon. and learned Friend the Under-Secretary of State for his important and helpful response. I was especially pleased that he emphasised at the beginning of his remarks the importance that he attaches, as do many of us, to the principle of equivalence. If he attaches importance to that principle and holds it paramount, as he appeared to do, I hope that, by inviting the MIBOC to consider this matter again, a way can be found to redress what some of us perceive to be a continuing problem.

My hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) asked what will happen if there is no agreement. That question was not fully answered. If there is no commissions agreement, the basis of the polarisation proposal falls away. If there is no commissions agreement, there is no basis on which company representatives have to make a meaningful declaration. The principle is therefore substantially undermined.

Although I share the hope that there are sufficient incentives and time to reach such an agreement, we must bear in mind that it may not be reached, or it may not be reached adequately. In either event, there are urgent and compelling reasons for the MIBOC to consider writing into its rules and proposals a provision along the lines of the amendment. I take it that the endorsement in principle, rather than in drafting, that my hon. and learned Friend has given to the amendment will be taken fully into account. I have no doubt that we shall return to the matter in the later stages of the Bill. Many of us will keep a watching brief on that aspect.

I think that we have been given sufficient reassurances to allow me to withdraw the amendment. My hon. and learned Friend has responded fully and helpfully to the initiative. Therefore, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: No. 70, in page 26, line 30, leave out 'exempt' and insert 'appointed'.

No. 71, in page 26, line 37, leave out 'exempt' and insert 'appointed'. *[Mr. Butcher.]*

Clause 42

MISCELLANEOUS EXEMPTIONS

Amendments made: No. 72, in page 27, line 7, at end insert

'(cc) the Accountant of Court when acting in the exercise of his functions in connection with the consignation or deposite of sums of money;'.

No. 73, in page 27, line 17, at end insert

'(gg) a sheriff clerk when acting in the exercise of his functions in connection with the consignation or deposit of sums of money;' *[Mr. Butcher.]*

Mr. Tim Smith: I beg to move amendment No. 74, in page 27, line 32, at end insert

'(kk) a person acting as an authorised insolvency practitioner within the meaning of section 3 or section 5 of the Insolvency Act 1985;'.

The amendment would add to the list of various people referred to in clause 42. The White Paper said that the functions of insolvency practitioners would be a type of activity that did not require authorisation to be obtained. It said that insolvency practitioners were

"often obliged . . . to dispose of investments included among the assets under their control. They will be required to be licensed under the Insolvency Bill now before Parliament."

That is now the Insolvency Act 1985. The implication was that the legislation would regulate the activities of insolvency practitioners.

I raised this matter in Standing Committee with my hon. and learned Friend the Under-Secretary of State. He said that the matter was still being considered. What progress has been made in formulating an exception which could be introduced by the Government?

Mr. Butcher: I am grateful to my hon. Friend the Member for Beaconsfield (Mr. Smith) for raising this issue. I shall take this opportunity to explain some of the complexities of the points he has raised.

There are two main situations we need to consider. First, there is the position of an insolvency practitioner who is acting as liquidator or administrator for a company which is not an investment business but which may have to dispose of assets which include investments. In such a case the liquidator or administrator is in the same position as the former directors. Therefore, he would be covered by the exemptions for selling investments as a principal and would not normally need to be authorised.

Secondly, there is the position of an insolvency practitioner who is concerned with the winding up of an authorised investment business. That is a much more complicated issue and I am still considering the implications for the Bill of the various provisions of the Insolvency Act 1985 and the numerous problems which

[Mr. Butcher]

will arise if an authorised business has to be wound up. The position of insolvency practitioners has to be considered in this context. If the investment business is a company and the regulator decides to allow its authorisation to continue in order to be able to continue to use its intervention powers to protect investors, once again the liquidator or administrator will be in much the same position as the former directors and, like them, will not be required to be personally authorised.

If the business concerned is a partnership or sole trader, the position is more complicated. If investment business is to be continued — for example, to complete outstanding commitments — is it right to exclude the insolvency practitioner concerned from the authorisation requirement? Such a practitioner may have no relevant experience. We need to consider those points further and will, if necessary, table amendments in another place.

With those comments, I hope that my hon. Friend the Member for Beaconsfield will feel that it would be timely to withdraw his amendment.

Mr. Tim Smith: This is the first time we have had a full explanation of the difficulties. It is helpful and it will be read with interest by those outside. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 44

MISLEADING STATEMENTS AND PRACTICES

Amendment made: No. 75, in page 28, line 27, at end insert—

'(2A) In proceedings brought against any person for an offence under subsection (2) above it shall be a defence for him to prove that he reasonably believed that his act or conduct would not create an impression that was false or misleading as to the matters mentioned in that subsection.'.—*[Mr. Howard]*

Clause 45

CONDUCT OF BUSINESS RULES

Amendment made: No. 76, in page 29, line 32, leave out 'exempt' and insert 'appointed'.—*[Mr. Howard.]*

Clause 47

CANCELLATION RULES

Amendment proposed: No. 77, in page 31, line 25, after '(2)', insert

'Without prejudice to the generality of subsection (1) above,'.

Mr. Deputy Speaker With this it will be convenient to consider Government amendment No. 78.

Mr. Cash: I have had a communication from the Committee of London and Scottish Bankers with regard to the proposals contained in these amendments, with particular respect to the question of clients' money. Clause 50 provides for the Secretary of State to make regulations with regard to clients' money. It is a matter upon which the committee has written to the Minister in the past and I would particularly like to hear what he has to say because the banks feel that they will be placed in an invidious position if clause 50 is enacted without amendment.

The banks' difficulties arise from the uncertain state of the law in relation to the operation of trust accounts, including clients' accounts. I believe that there are many complicated legal matters which arise in that context, which I do not think it would be helpful to go into. I believe that at this stage the Minister is in full possession of the facts and, if he is not, I am sure that during the course of the proceedings in another place this matter could be looked into and a suitable opportunity taken to put things right.

The banks are seriously concerned that the bank holding the clients' account in an authorised firm could be held liable if the firm does not conduct the account in accordance with the rules, and losses result to its clients.

The banks seek statutory protection on the same lines as they already enjoy in respect of solicitors' clients' accounts. I understand that, although a letter has been written to the Department in respect of this matter, the Department has not yet replied. The indications are that the answer will be in the negative. I understand that if the Department does not produce a satisfactory outcome to this question, it is highly probable — indeed certain — that the committee will press the matter vigorously in another place.

Mr. Howard: I have heard with great interest what my hon. Friend the Member for Stafford (Mr. Cash) has said on this matter. The representations to which he referred are being carefully considered. That is why no reply has yet been forthcoming from the Department to those who made the representations. Clearly, if the Department is persuaded by those representations, we shall introduce an amendment in another place. I understand the import of my hon. Friend's remarks to be that if we do not, others will, and we must look forward to the outcome of any debate in the other place with interest and expectation.

Amendment agreed to.

Clause 50

CLIENTS' MONEY

Amendments made: No. 78, in page 34, line 1 leave out

'Regulations under this section may in particular'

and insert

'Without prejudice to the generality of subsection (1) above, regulations under this section may'.

No. 79, in page 34, line 17, leave out 'and interest thereon'.

No. 83, in page 34, line 27, leave out from 'retention' to end of line 28 and insert

', to such extent and in such cases as may be specified in regulations, of so much of clients' money as represents interest.'.—*[Mr. Howard.]*

9.15 pm

Mr. Tim Smith: On a point of order, Mr. Deputy Speaker. I rose to speak when you called amendment No. 79.

Mr. Deputy Speaker: I am extremely sorry, but I did not notice the hon. Gentleman. If he stood up, I apologise to him. We have now moved on to amendment No. 80, which is in his name.

Mr. Smith: I beg to move amendment No. 80, in page 34, line 18, leave out 'audited by an auditor' and insert 'examined by an accountant'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments: No. 81, in page 34, line 20, leave out 'auditor' and insert 'accountant'.

No. 82, in page 34, line 23, after 'whether', insert 'in his opinion'.

Mr. Smith: I was a little concerned about the cavalier way in which the Government dealt with amendment No. 79, because it reversed an amendment made in Committee following a Division in which I was supported by my hon. Friend the Member for Chicester (Mr. Nelson). As the majority of the Committee wanted three words included in the Bill and as amendment No. 79 deletes them, some explanation would have been welcome. It is not worth making a great fuss about this, but a little explanation would have been pleasant.

I do not want to say much on amendment No. 80, because the Minister was very helpful on this matter in Committee. He said that he was sympathic to the three points contained in the three amendments. I hope that his sympathy may be converted into acceptance of them.

Mr. Cash: The word "accountant" is an expression which does not necessarily refer to a chartered accountant. I have already made that point and I do not want to labour it, but at this stage it is important to put it on the record again.

Mr. Howard: I hope that my hon. Friend the Member for Stafford (Mr. Cash) will forgive me if I do not repeat the reply which I gave to the point which he raised earlier.

Regarding the first point raised by my hon. Friend the Member for Beaconsfield (Mr. Smith), amendments Nos. 79 and 83, to which he referred, sought to incorporate into clause 50 more satisfactorily the amendment passed in Committee. We have always intended that Clause 50 should allow regulations to be made concerning interest on clients' money. That would include requiring accounts and records in respect of that interest to be kept. We accept that there is room for clarification and that has been done in two ways.

Firstly, as part of the general tidying up of rule-making powers in part V, we have made it clear that the list of powers in subsection (2) is without prejudice to the generality of subsection (1). Secondly, the new formulation of subsection (2)*(f)* makes it clear that the phrase "clients' money" embraces interest. Generally, regulations under clause 50 will, therefore, clearly be capable of being made in respect of interest. In view of this approach the amendment to subsection (2)*(d)* is unnecessary. That is why amendment No. 79 removes the change made in Committee at my hon. Friend's behest.

My hon. Friend is correct, regarding amendments Nos. 80, 81 and 82, in reminding the House that I expressed my sympathy for his argument in Committee and I am happy to——

Mr. Cash: Does my hon. and learned Friend take the point that the words "in his opinion" which are contained in those amendments would be going over the top in almost any circumstances? We could not have a matter of such importance being determined as a matter of law by the "opinion". I am sure that my hon. and learned Friend understands what the wording "in his opinion" means, and that he would find it unacceptable.

Mr. Howard: I hope that my hon. Friend is referring to the amendments that we have excised from the Bill and not to the amendments to which I have referred and which the Government are prepared to accept. If that is the case, and I believe that it is, I confirm that I am happy to accept the amendments.

Amendment agreed to.

Amendments made: No. 81, in page 34, line 20, leave out 'auditor' and insert 'accountant'.

No. 82, in page 34, line 23, after 'whether', insert 'in his opinion'.

No. 83, in page 34, line 27, leave out from 'retention' to end of line 28 and insert

', to such extent and in such cases as may be specified in regulations, of so much of clients' money as represents interest.' *[Mr. Howard.]*

Clause 51

UNSOLICITED CALLS

Amendments made: No. 84, in page 35, line 34, leave out 'exempt' and insert 'appointed'.

No. 85, in page 35, line 37, leave out 'exempt' and insert 'appointed'. *[Mr. Howard.]*

Clause 54

EMPLOYMENT OF PROHIBITED PERSONS

Amendment made: No. 86, in page 40, line 35, leave out 'exempt' and insert 'appointed'. *[Mr. Howard.]*

Clause 55

PUBLIC STATEMENT AS TO PERSON'S MISCONDUCT

Amendment made: No. 87, in page 41, line 21, at end insert

'(5) Where a case is not required to be referred to the Tribunal by a person on whom a notice is served under this section the Secretary of State shall, at the expiration of the period within which such a requirement can be made, give that person written notice that the statement is or is not to be published; and if it is to be published the Secretary of State shall after publication send a copy of it to that person and to any person on whom a copy of the notice under subsection (2) above was served.'. *[Mr. Howard.]*

Clause 56

INJUNCTIONS AND RESTITUTION ORDERS.

Amendments made: No 88, in page 42, line 1, after 'injunction', insert 'or, in Scotland, an interdict'.

No. 89, in page 42, line 14, after 'below', insert

'or, in relation to Scotland, under sub-section (4A) below'.

No. 90, in page 42, line 31, at end insert—

'(4A) The court may under this subsection order the person concerned to pay to the applicant such sum as appears to the court to be just having regard to the considerations mentioned in paragraphs *(a)* to *(c)* of subsection (4) above.'.

No. 91, in page 42, line 33, after '(4)', insert '(4A)'.

No. 92, in page 43, line 5, leave out subsection (8).— *[Mr. Howard]*

Clause 65

NOTICES

Amendment made:No. 93, in page 46, line 39, at end insert

', and any such notice may, if the Secretary of State thinks fit, include a statement of the reasons for which the prohibition or requirement was imposed, rescinded or varied.'. *[Mr. Howard]*

Clause 67

INTERPRETATION

Amendments made: No. 94, in page 47, line 37, leave out from 'provide' to 'for' in line 38.

No. 95, in page 47, line 40, after 'property', insert 'in question'.

No. 96, in page 47, line 42, leave out from 'unless' to 'the' in line 43.

No. 97, in page 48, line 25, leave out from 'arrangements' to 'of' in line 27 and insert

'under which the rights or interests of the participants are investments falling within paragraph 5'.

No. 98, in page 48, line 41, after 'by', insert 'or on behalf of'.

No. 99, in page 49, line 2, leave out 'its management of those funds' and insert 'the management of those funds by or on behalf of that body'.

No. 100, in page 49, line 5, leave out from 'in' to end of line 12 and insert

'or securities of that body which—

(i) the participants are entitled to have redeemed or repurchased by, or out of funds provided by, that body; or

(ii) the body ensures can be sold by the participants on an investment exchange at a price related to the value of the property to which they relate;'.

No. 101, in page 49, line 12, at end insert—

'"trustee", in relation to a unit trust scheme, means the person holding the property in question on trust for the participants and, in relation to a collective investment scheme constituted under the law of a country or territory outside the United Kingdom, means any person who (whether or not under a trust) is entrusted with the custody of the property in question;'.—*[Mr. Howard.]*

Clause 68

RESTRICTIONS ON PROMOTION

Amendments made: No. 102, in page 49, line 25, after 'issued', insert 'in the United Kingdom'.

No. 103, in page 49, line 31, leave out 'any person' and insert

'or procure any person in the United Kingdom'.

No. 104, in page 49, line 35, leave out from 'apply' to end of line 36 and insert

'if the advertisement is issued to or the person mentioned in paragraph *(b)* of that subsection is—'.

No. 105, in page 49, line 37, leave out 'to'.

No. 106, in page 49, line 38, leave out 'to'.

No. 107, in page 50, line 1, leave out 'an advertisement issued or to advice given' and insert 'anything done'.

No. 108, in page 50, line 6, at end insert—

'(4) For the purposes of this section an advertisement issued outside the United Kingdom shall be treated as issued in the United Kingdom if it is made available to persons in the United Kingdom otherwise than in a newspaper, journal, magazine or other periodical publication published and circulating principally outside the United Kingdom.'.—*[Mr. Howard.]*

Clause 69

APPLICATIONS FOR AUTHORISATION

Amendment made: No. 109, in page 50, line 19, leave out subsection (3).

Clause 70

AUTHORISATION ORDERS

Amendments made: No. 110, in page 50, line 35, leave out 'and a copy of the trust deed'.

No. 111, in page 50, line 37, after 'if', insert '*(a)*'.

No. 112, in page 50, line 40, at end insert

; and

(b) he has been furnished with a copy of the trust deed and a certificate signed by a solicitor to the effect that it complies with such of those requirements as relate to its contents.'.

No. 113, in page 51, line 6, leave out 'and'.

No. 114, in page 51, line 7, at end insert

'and, if the manager is incorporated in another member State, the scheme must not be one which satisfies the requirements prescribed for the purposes of section 78 below.'.

No. 115, in page 51, line 10, after 'by', insert 'or under'.

No. 116, in page 51, line 11, after 'by', insert 'or under'.

No. 117, in page 51, line 22, leave out 'a stock' and insert 'an investment'. *[Mr. Howard.]*

Clause 71

REVOCATION OF AUTHORISATION

Amendment made: No. 118, in page 51, line 37, at end insert 'or potential participants'. *[Mr. Howard.]*

Clause 72

REPRESENTATIONS AGAINST REFUSAL OR REVOCATION

Amendment made: No. 119, in page 52, line 25, after 'give', insert—

'the applicants or, as the case may be'.—*[Mr. Howard.]*

Clause 73

CONSTITUTION AND MANAGEMENT

Amendments made: No. 120, in page 52, line 41, after 'rights', insert 'and obligations'.

No. 121, in page 53, line 10, leave out 'of the manager of the scheme' and insert

'exercisable in relation to the scheme'.

No. 122, page 53, line 20, leave out from 'but' to 'independently' in line 21 and insert

'regulations under this section shall be binding on the manager, trustee and participants'.

No. 123, in page 53, line 22, at end insert—

'(3A) Regulations under this section shall not impose limits on the remuneration payable to the manager of a scheme.'.—*[Mr. Howard.]*

Clause 74

ALTERATION OF SCHEMES AND CHANGES OF MANAGER OR TRUSTEE

Amendments made: No. 124 in page 53, line 30, after 'alteration', insert

'involving a change in the trust deed'.

No. 125, in page 53, line 32, leave out 'alteration will not affect the compliance of the scheme' and insert

'change will not affect the compliance of the deed'.

No. 126, in page 54, line 11, leave out subsection (4). *[Mr. Howard.]*

Clause 75

RESTRICTIONS ON ACTIVITIES OF MANAGER

Amendments made: No. 127, in page 54, line 22, leave out from '(ii)' to 'body' in line 25 and insert 'an open-ended investment company or any other'.

No. 128, in page 54, line 28, after 'by', insert 'or on behalf of'.

No. 129, in page 54, line 28, at end insert

', or

(iii) any other collective investment scheme under which the contributions of the participants and the profits or income out of which payments are to be made to them are pooled;'. *[Mr. Howard.]*

Clause 79

SCHEMES AUTHORISED IN DESIGNATED COUNTRIES OR TERRITORIES

Amendments made: No. 130, in page 57, line 16, leave out from 'is' to end of line 18 and insert 'of a class specified by the order.'.

No. 131, in page 57, leave out lines 34 to 37 and insert

'(a) shall contain the address of a place in the United Kingdom for the service on the operator of notices or other documents required or authorised to be served on him under this Act; and

(b) shall contain or be accompanied by such information and documents as may be prescribed.'.

No. 132, in page 57, line 45, at end insert—

'(6A) Section 77 above shall have effect in relation to a scheme recognised under this section as it has effect in relation to an authorised unit trust scheme, taking references to the manager as references to the operator; and regulations made by virtue of this subsection may make provision whereby compliance with any requirements imposed by or under the law of a country or territory designated under this section is treated as compliance with any requirement of the regulations.'. *[Mr. Howard.]*

Clause 80

OTHER OVERSEAS SCHEMES

Amendments made: No. 133, in page 58, line 9, leave out paragraph *(b)* and insert

'(b) does not satisfy the requirements mentioned in section 78(1) above and in relation to which there is no relevant order under section 79(1) above'.

No. 134, in page 58, line 17, leave out from '(3)' to 'must' in line 18 and insert

'Subject to subsection (3A) below, the operator and the trustee, if any,'.

No. 135, in page 58, line 22, after 'by', insert 'or associated with.'

No. 136, in page 58, line 24, leave out paragraph *(b)*.

No. 137, in page 58, line 29, at end insert—

'(3A) Subsection (3) above does not apply to an operator or trustee who is an authorised person and not prohibited from acting as operator or trustee, as the case may be, by or under rules under section 45 above, by or under the rules of any recognised self-regulating organisation of which he is a member or by any prohibition imposed under section 60 above.'.

No. 138, in page 58, line 30, leave out from '(4)' to 'and' in line 31 and insert—

'If the operator is not an authorised person he must have a representative in the United Kingdom who is an authorised person and has power to act generally for the operator'.

No. 139, in page 58, line 42, leave out 'a stock' and insert 'an investment'.

No. 140, in page 59, line 2, leave out from 'section' to ' ; and' in line 4.

No. 141, in page 59, line 5, at end insert

' , taking references to the manager as references to the operator'.

No. 142, in page 59, line 6, leave out subsection (8).

No. 142A, in page 59, line 15, leave out from first 'operator' to second 'the' in line 16 and insert 'and with the omission of the requirement relating to the solicitor's certificate; and if the operator or trustee of any such scheme is to be replaced the operator or, as the case may be, the trustee or, in either case'.

No. 143, in page 59, line 18, leave out subsection (10) and insert

'(10) Section 77 above shall have effect in relation to a scheme recognised under this section as it has effect in relation to an authorised unit trust scheme, taking references to the manager as references to the operator.'. *[Mr. Howard.]*

Clause 81

INVESTIGATIONS

Amendment proposed: No. 144, in page 59, line 26, after 'operator', insert 'or trustee'. *[Mr. Howard.]*

Mr. Deputy Speaker: With this it may be convenient to discuss Government amendments Nos. 145 to 148.

Mr. Cash: I have one question in regard to legal privilege in proceedings in the High Court. I notice that clause 81(5) may require a lawyer to furnish the name and address of his client. I do not wish to make a great deal of this but it raises matters which may prove to be worth pursuing in another place. My hon. and learned Friend the Minister will be familiar with the problems that arise. I understand, however, that my hon. Friend the Under-Secretary of State is to reply. He is nevertheless a friend. I should be grateful if he could examine this matter in due course and perhaps drop me a note about it. It raises matters concerning the disclosure of information about clients.

Mr. Butcher: I am the only non-lawyer spokesman on the Front Benches. I shall look into my hon. Friend's anxiety and write to him. In the aftermath of that correspondence, we will no doubt be able to decide whether we should take further action in another place.

Amendment agreed to.

Amendments made: No. 145, in page 59, line 29, leave out from 'operator' to end of line 31 and insert 'or trustee of, any other collective investment scheme,'.

No. 146, in page 59, line 38, after second 'of', insert— ', or of the manager, trustee or operator of,'.

No. 147, in page 59, line 42, leave out

'Section 433(2) and sections 434 to 437 of the Companies Act 1985'

and insert—

'Sections 434 to 436 of the Companies Act 1985 (production of documents and evidence to inspectors)'.

No. 148, in page 60, line 10, at end insert—

'(5) A person shall not under this section be required to disclose any information or produce any document which he would be entitled to refuse to disclose or produce on grounds of legal professional privilege in proceedings in the High Court or on grounds of confidentiality as between client and professional legal adviser in proceedings in the Court of Session except that a lawyer may be required to furnish the name and address of his client.

[Mr. Butcher]

(6) Where a person claims a lien on a document its production under this section shall be without prejudice to the lien.

(7) Nothing in this section shall require a person carrying on the business of banking to disclose any information or produce any document relating to the affairs of a customer unless—

(a) the customer is a person who the inspector has reason to believe may be able to give information relevant to the investigation; and

(b) the Secretary of State is satisfied that the disclosure or production is necessary for the purposes of the investigation.

(8) An inspector appointed under this section may, and if so directed by the Secretary of State shall, make interim reports to the Secretary of State and on the conclusion of his investigation shall make a final report to him.'.—*[Mr. Howard.]*

Schedule 4

THE FINANCIAL SERVICES TRIBUNAL

Amendments made: No. 149, in page 140, line 1, leave out 'and' and insert

', for the awarding of costs (or, in Scotland, expenses) and for'.

No. 150, in page 140, line 2, at end insert

'(2) The Tribunal may appoint counsel or a solicitor to assist it in proceedings before the Tribunal.'.—*[Mr. Howard.]*

Clause 84

REFERENCES TO THE TRIBUNAL

Amendments made: No. 151, in page 61, line 23, leave out 'or 54(4)' and insert ', 54(4) or 55(2)'.

No. 152, in page 61, line 27, leave out

'or to give the direction'

and insert

', give the direction or publish the statement'.

No. 153, in page 61, line 28, at end insert—

'(2A) The Secretary of State need not refer a matter to the Tribunal at the request of the person on whom a notice is served under section 65 above if—

(a) that matter is the refusal of an application for the rescission or variation of a prohibition or requirement and within the period mentioned in subsection (1) above he—

(i) decides to grant the application; and

(ii) gives written notice of his decision to that person; or

(b) that matter is the imposition or variation of a prohibition or requirement, being a prohibition, requirement or variation which has not yet taken effect, and within the period mentioned in subsection (1) above and before the prohibition, requirement or variation takes effect he—

(i) decides to rescind the prohibition or requirement or decides not to make the variation; and

(ii) gives written notice of his decision to that person.'.

No. 154, in page 61, leave out lines 35 to 40 and insert 'and at any time within the period mentioned in subsection (1) above the Secretary of State serves a new notice on that person in substitution for that previously served, then if the substituted notice complies with subsection (4) below, subsection (1) above shall have effect in relation to the substituted notice instead of the original notice and as if the period there mentioned were twenty-eight days after the date of service of the original notice or fourteen days after the date of service of the substituted notice, whichever ends later'.

No. 155, in page 62, line 2, leave out 'may propose' and insert

'complies with this subsection if it proposes'.

No. 156, in page 62, line 7, leave out 'may propose' and insert

'complies with this subsection if it proposes'.

No. 157, in page 62, line 10, leave out subsection (5).—*[Mr. Howard.]*

Clause 87

WITHDRAWAL OF REFERENCES

Amendments made: No. 158, in page 63, line 27, leave out from 'under' to end of line 30 and insert

'any of the provisions mentioned in subsection (1)*(a)* of section 84 if he

(a) decides as mentioned in subsection (2)*(a)* or (2A)*(a)*(i) or *(b)*(i) of that section; and

(b) gives such a notice as is mentioned in subsection (2)*(b)* or (2A)*(a)*(ii) or *(b)*(ii) of that section;

but a reference shall not be withdrawn by virtue of such a decision and notice as are mentioned in paragraph *(b)* of subsection (2A) unless the decision is made and the notice is given before the prohibition, requirement or variation has taken effect.'

No. 159, in page 63, line 44, leave out 'or 33' and insert ', 33 or 55'.—*[Mr. Howard.]*

Clause 89

REGISTER OF AUTHORISED PERSONS AND RECOGNISED ORGANISATIONS ETC.

Amendment made: No. 160, in page 65, line 12, leave out third 'the' and insert 'any'.—*[Mr. Howard.]*

Clause 91

POWER TO CALL FOR INFORMATION

Amendment made: No. 161, in page 67, line 29, leave out 'this section' and insert 'subsection (1) above'.—*[Mr. Howard.]*

Clause 92

INVESTIGATION POWERS

Amendments made: No. 162, in page 67, line 41, leave out 'exempt' and insert 'appointed'.

No. 163, in page 69, line 7, leave out 'exempt' and insert 'appointed'.

No. 164, in page 69, line 17, leave out 'exempt' and insert 'appointed'.—*[Mr. Howard.]*

Clause 96

POWER TO TRANSFER FUNCTIONS TO DESIGNATED AGENCY

Amendment proposed: No. 165, in page 71, line 41, leave out

'the Securities and Investment Board'

and insert

'a body corporate has been established which'.—*[Mr. Howard.]*

Mr. Deputy Speaker: With this it may be convenient to consider the following: Government amendment No. 166.

Amendment No. 167, in page 72, line 5, at end insert

'(1A) Upon the making of an order under subsection (1) above, the Securities and Investments Board shall cease to be a limited company and shall become a statutory body created under this Act.',

Government amendments Nos. 168, 169, 171 to 173, 213, 253, 255, 256 and 258.

Mr. Gould: It may be as well to give you the opportunity to pause for breath, Mr. Deputy Speaker. I should like to speak in support of amendment No. 167.

The Government amendments in this group give effect to the solution at which the Committee arrived on the central issue of the Bill — the status and functions of the SIB. It is fair and proper to recognise that the Committee achieved a great deal in this respect. We named the board which had hitherto hidden coyly behind the description of "designated agency" and we increased its powers in respect of its ability to impose rule changes, to prosecute, to investigate unauthorised persons, to deal with matters such as insider dealing and even in regard to obtaining a warrant for powers of search.

None of that could have been achieved without the support, and often direction, of Conservative members of the Committee. It was an excellent example of a Committee working towards a constructive common purpose. It is perhaps not surprising that the paths of the two sides of the House diverge here as we regret, even now, that, for current ideological reasons, the Government have not been able to bring themselves to give the SIB proper status in the Bill. The Government will not accept that this is the obvious solution and that it has been adopted by virtually every other leading capital market in the Western world. The bulk of City opinion now accepts that it is a solution that is desirable, or at least inevitable. This solution would have enabled the Committee and the House to avoid many of the problems which have preoccupied us throughout our deliberations.

9.30 pm

I agree wholeheartedly with the arguments advanced some months ago by the *Financial Times* in a leading article, when it expressed the view that if we had begun with a statutory commission we could have spent our time making sure that it operated with proper flexibility and sensitivity, instead of starting at the other end with a body which was not propery constituted and did not have adequate powers. Consequently, we have had to spend our time attempting to increase those powers.

This evening we have had a short debate on the powers of the Securities and Investments Board which direct applicants to go to the appropriate self-regulating organisation. That board may have been more appropriate and commended itself to the Government and their supporters if we had begun with the clear understanding that the SIB, bearing in mind its delicate relationship with the SROs, was to be the dominant partner.

The Government's failure in this respect leaves the Bill inadequate to deal with its purpose. The Bill, and the Government's thinking which underpins it, simply do not grasp the scale of the change which will overcome the City. Many of the old safeguards over institutions are being swept away. Huge new conglomerates with powerful new players, enormous financial power — much more power than anything previously seen — will muscle into the City. Those people will be used to playing to the whistle, and it is vital that they are in no doubt as to who will blow the whistle, in what circumstances and with what effect.

The City will become a place of intense competition. The new, immensely powerful institutions will be competing with each other for a limited volume of business. When we have to endure an inevitable bear market, there will be a great deal of blood on the carpet. It will be at that moment that corners will be cut and rules broken. The structure of the Bill will be put to the test and, as it stands at the moment, it is inadequate to meet that test.

At present, we are asked to support a structure in which a private company supervises a range of self-regulating organisations, most of which have no experience or resources to undertake this task, and some of the organisations do not even exist. It is a complicated structure — a delicate balance which, in general terms, we have supported. It is asking too much to place all the weight on the self-regulating organisations when, at the apex of the structure, there is nothing more substantial than a private company, limited by guarantees.

The fact that we have a Securities and Investments Board which needs a special dispensation to drop the word "limited" from its title gives the wrong message to people in the City. It is a wrong psychological simile. It is a typically muddled British compromise. It shows that we have not yet grasped the scale of the task and duty that we face. It signals to those who operate in the City that we have not taken the problem seriously.

Mr. Cash *rose*

Mr. Gould: No, I will not give way; I am about to finish.

The City, without a proper regulatory authority at the heart of the system, will be at a disadvantage in comparison with other financial markets. That is the prime reason why, when we come to Third Reading, we shall be obliged to vote against the Bill. It is the same reason which will oblige us to legislate again on the matter when we return to government.

Mr. Campbell-Savours: I wish to speak briefly to add my support to the comments of my hon. Friend the Member for Dagenham (Mr. Gould). I feel extremely strongly about this matter, and I think that the Minister has totally misread public opinion. The Minister does not understand that the British public will never stomach a private policing operation in the City of London. A private company, no different from Securicor, will be responsible for policing City institutions.

We know that the measure of that organisation will come in the crisis in the City. All the signs are that the big bang will provide for excesses that the country will expect the City and its institutions to root out. The problem is that when the British people find out that it is impossible to root out these things, perhaps even with a publicly instituted form of control commission, they will blame whatever private arrangements have been made for City policing.

The Minister has it within his power, even at this late stage, to accept this amendment. As I understand it, it simply provides that he retains the right to substitute the limited company that is provided for in the Bill with some form of statutory body. This is a reasonable proposition. It gives the Minister the opportunity, without further legislation, to change the very nature of the structure that is being set up today. If he does not, he will find that, within a year or two, he will be standing at the Dispatch

[Mr. Campbell-Savours]

Box defending, or perhaps even the converse, attacking what has gone on in the City. He will be defending a private policing arrangement that has been set up to monitor the City, but that the public are unable to understand. He has it within his power, and he would be sensible, in his conduct of the debate, to take on board the comments that have been made by me and by my hon. Friend the Member for Dagenham.

Mr. Nelson: Unlike Labour Members, I believe that my hon. and learned Friend the Under-Secretary of State has moved in compliance with the wishes expressed by both sides in Committee and has come forward with proposals that will be durable and will enjoy the respect of the investing public. It is important that we seek to make the legislation work so that it can do what is intended. In seeking to achieve that objective, it is important that the SIB should have statutory recognition, the powers to investigate, to bring prosecutions in certain circumstances, to change the rules, if necessary, in the self-regulatory bodies, and to enjoy immunity, all of which have been conferred on it by the Bill.

The amendments moved in Committee were argued against because the SIB will be a private sector body, but they are extensive and important powers in terms of investor protection. As the SIB can enjoy the benefits of being a private sector body, not being subject to the public sector borrowing requirement, the state panoply of regulation, and so on, we may have the best of both worlds. Even if Labour Members suspect that we have not, it is at least worth a serious try.

I pay tribute to my hon. and learned Friend the Minister for the objective and sincere way in which he has sought to understand the objectives of those of us who have moved amendments. Without becoming entrenched, he has responded democratically and pragmatically to the interests of investors and of good and effective legislation. For those reasons, I warmly welcome the Government's amendments.

Mr. Howard: I am grateful to my hon. Friend the Member for Chichester (Mr. Nelson) for his observations and I am delighted that I have been able to identify a solution to the problem on which we spent so much time in committee. We recognised the legitimate concerns expressed during our proceedings upstairs by my hon Friends the Members for Chichester and for Beaconsfield (Mr. Smith), and others. We have still managed to retain the flexibility and effectiveness that are so crucial to the concept that we have sought to put in place in the regulatory structure.

It is uncharacteristically intellectually feeble of the hon. Member for Dagenham (Mr. Gould) to have failed to face up to the real difficulties that would flow in terms of restraints on public spending and borrowing, which would have inhibited the creation of an effective regulatory body. He has mouthed from beginning to end of our consideration of this matter the phrase "statutory commission" without ever coming clean and explaining precisely what it is that he had in mind.

At the risk of introducing a note of controversy into our deliberations, I have to say that I utterly reject any accusations of dogma or doctrine by the hon. Member for Dagenham. I accuse him of failing to face the central issues at the heart of this discussion. I am delighted to have arrived at a solution which meets the legitimate concerns of my hon. Friends.

Mr. Gould: I am listening with fascination to the Minister's diatribe. Presumably this embraces every other statutory body which this Government and other Governments have created in Britain, and applies to every other statutory body fulfilling precisely these functions in every capital market in the world in which Britain is competing.

Mr. Howard: It will not do for the hon. Gentleman to attempt to sidestep the argument in that way. We are considering a specific solution to a specific problem, and we have devised what I think is the most effective solution to that problem. I hope and expect that it will work. On that basis I commend the amendment to the House.

Amendment agreed to.

Amendments made: No. 166, in page 72, line 5, at end insert—

'(1A) The body to which functions are transferred by the first order made under subsection (1) above shall be the body known as The Securities and Investments Board Limited if it appears to the Secretary of State that it is able and willing to discharge them, that the requirements mentioned in paragraph *(b)* of that subsection are satisfied in the case of that body and that he is not precluded from making the order by the subsequent provisions of this section or Chapter XII of this Part of this Act.'.

No. 168, in page 72, line 7, leave out 'the' and insert 'a'.

No. 169, in page 72, line 10, leave out 'subsections (4) and (5)' and insert 'subsection (4)'.

No. 170, in page 72, line 14, at end insert

'*(aa)* Section 30(4);'.

No. 171, in page 72, line 17, leave out '79(1) or 81' and insert 'or 79(1)'.

No. 172, in page 72, line 19, leave out subsection (5).

No. 173, in page 72, line 41, at end insert

'and any transfer of a function under section 81, 92 or 93 shall be subject to such a reservation.'.— *[Mr. Howard.]*

Schedule 6

Principles applicable to Designated Agency's Rules and Regulations

Mr. Howard: I beg to move, in page 143, line 17, at end insert—

'including information as to any commissions or other inducements received or receivable from a third party in connection with any such transaction.'.

Mr. Speaker: With this, it will be convenient to take Government amendment No. 177.

Mr. Butterfill: In Standing Committee when we discussed the problems that arise from disclosure, our main preoccupation was with disclosure of commission. I and the hon. Member for Dagenham (Mr. Gould) voiced doubts in Committee that commissions were not the only things about which we ought to be concerned. We made the point that we ought to ensure that the public knew the totality of costs being charged to an insurance policy, and how these could affect the interests of a policyholder. We made it clear in that debate that it could be confusing or even misleading to focus exclusively on commission because insurance companies selling in a direct way might well incur substantial marketing costs through such things as television advertising and advertising in newspapers, and that all such costs would be loaded on to the policies.

We felt that there was a need for something more than mere disclosure of commission, and for that reason I tabled an amendment which was supported by a large number of my hon. Friends, and a similar amendment was tabled by the hon. Member for Dagenham which was supported by a number of his hon. Friends. It became quite clear in Committee that we enjoyed the support of my hon. and learned Friend the Minister, who undertook to consider the matter in detail and to bring forward an amendment at this stage. I am pleased to say that my hon. and learned Friend has been as good as his word and has brought forward two amendments which substantially meet the anxieties expressed in Standing Committee.

When these matters were discussed in Standing Committee I made it clear that I did not think it was right for us to try to lay down the detailed rules, but that we should merely lay down the ground rules. I am pleased to see that that is exactly what my hon. and learned Friend the Minister has done in his amendments.

9.45 pm

However, we must consider the amendments in the light of the proposals that have now been published by MIBOC for the regulation of salesmen and the general regulation of the marketing of life assurance and unit trusts which is contained in its latest document, "Life Assurance and Unit Trusts and the Investor", published in April this year.

Here we have some difficulty. First, I must say that I congratulate MIBOC on the way in which it met many of the other concerns of the Committee. In some cases it has met them most ingeniously, and, indeed, improved upon some of the suggestions that were made in Committee. But in the one area of disclosure it has failed to meet the concerns that were expressed in Committee. It is worth illustrating that by reference to some correspondence which I have had on the subject.

First, can we identify those areas where further disclosure ought to be available? Information should be available about what proportion of the payments for a premium will go towards the company's costs, which we have already identified, and what proportion will be invested on behalf of the policy holder.

Secondly, we should know what effective rate of interest is being offered by the insurance company in the case of the amount that will accumulate towards a given sum. In every other form of investment there is an indication of the interest which is being paid, but that is not done by insurance companies.

My concerns on this matter are not unique. Indeed, I have had a large number of letters from not only members of the public who are concerned in these matters, but also people throughout the insurance industry, not just one section of the industry, but a wide cross-section. For example, I have had correspondence from people engaged in computer systems relating to the analysis of policies. I have had letters from people who are involved in the marketing of insurance policies. I have had letters from people who are actuaries, engaged in the insurance industry. It may be worth quoting from some of the letters that I have received.

Let me read a letter that I have received from one of the leading Scottish companies involved in the personal and corporate financial services sector which is relevant to the view that we should take of the MIBOC document. It says:

"Dear Mr. Butterfill, We among others, forwarded our comments on the consultative document published by MIBOC earlier in the year. On that occasion there was time for a consultation, on this occasion, time is short, and I therefore hope that our observations on the latest document will assist you in appraisal.

Members of the standing committee are to be congratulated for grasping so quickly the complex subject and not allowing the wool to be pulled over their eyes by an industry expert on this practice. We were particularly impressed by the insistence on the disclosure of all marketing and administrative charges within a product, not just the commission.

The vested interests represented on the Board will continue to water down your proposals if possible. Perhaps there should be a statutory requirement for, at least, provision of estimated surrender values based on industry standard assumptions."

I am pleased to say that that aspect has been largely met.

The letter went on:

"We still feel that the commission system is the root cause of the industry's problems, but perhaps full disclosure of charges will persuade the industry to modify an indefensible system.

We still feel that MIBOC is still trying to fudge the issue. If it is possible to come up with a means of product disclosure for with-profits policies, then it is possible to devise a method of commissions disclosure for company representatives as well as independent intermediaries. The battle over polarisation appears to have been won, however, although the definition of 'introducer' is a possible loophole that should be plugged.

We thank you for helping to clean up such a rotten mess. Yours sincerely."

That puts it more strongly and colourfully than I would have put it, but it shows that many of those in the insurance industry are unhappy with the latest MIBOC proposals.

That letter was fairly typical of much of the correspondence that I received. It is worth quoting the view of the National Consumer Council. On 5 June it wrote to me saying:

"On 21 April SIB and MIBOC published their response to issues raised during Committee Stage on disclosure of commissions and charges and the status of salesmen. We welcome the proposal that those selling life assurance or unit trusts will have to be either independent intermediaries or company representatives (restricted to the selling of the products of one company or group). However, we do not believe that SIB-MIBOC proposals for the disclosure of commissions and charges go far enough. It is our view that there should be full disclosure of commissions by independent intermediaries whether or not there is an industry agreement on maximum commissions. We also feel that consumers purchasing policies from company representatives should be made aware of the amount of their premiums which are absorbed by selling costs. These are, in effect, a charge on the policy and should be included in the disclosure of charges, surrender values etc. so that consumers are able to assess the value for money of the investment they are being offered."

That is the point made in the amendments of my hon. and learned Friend the Minister.

All the controversy has provoked a quite extraordinary response from the Association of British Insurers, which produced a news sheet that I believe has been sent to the vast majority of hon. Members. Much of it is concerned with rubbishing the comments that I and other hon. Members made in Committee. It is worth taking up some of the points that it makes in the news sheet. It claims that we have unfairly stated its position and that as regards the right to share in profits there is some definition, because it is written into the articles of association of most insurance companies.

Earlier, I said that I had received correspondence from members of the actuarial profession. I have with me a letter that I received from a consulting actuary who is also

[Mr. Butterfill]

a research fellow in actuarial studies at one of our leading universities. In his letter, he points out that that claim by the insurance companies is somewhat spurious. At the risk of boring the House, I shall quote from his letter. He writes:

"Around about the beginning of this century with-profits premium rates were approximately 10 per cent. higher than the equivalent non-profit rates. This with-profits policyholder was this taking a chance that he would get approximately 10 per cent. less than he was paying for. In practice, his reward for taking this chance was that he would get a little more than he paid for in the form of bonuses. Bonus additions were expected to form 10-20 per cent. of his final policy proceeds. This seems quite a sensible system really.

Since then, interest rates have increased dramatically. The result is that non-profit premium rates have reduced substantially over that period. On the other hand, for a given sum assured, with-profit rates have stayed fairly constant. The bonus rates have risen substantially to take up the slack. The result is that at present under a typical policy only approximately 40 per cent. or 50 per cent. of the eventual proceeds are guaranteed; the rest is bonuses. This has the advantage of being admirably flexible. For example, it allows the life offices to invest heavily in equities which they probably could not do under the old system.

However, one of the side-effects of this has been to increase substantially the share of the premiums which ends with the insurance company's shareholders. As I explained at our meeting, for a typical proprietary office, the surplus declared at each valuation might be split in the ratio 90 per cent. to policyholders and 10 per cent. to the shareholders. The ratio is fixed for each company. At the start of the century approximately 20 per cent. of a typical policy's proceeds consisted of bonuses which had been declared out of surplus. It may be seen that, at that time, the shareholders' share of the total policy proceeds was approximately 22 per cent. i.e. 10 per cent. of the 20 per cent. Under present conditions the shareholders might expect to receive approximately 6 per cent. of the policy proceeds, ie 10 per cent. of 60 per cent. 60 per cent. is the part of the policy proceeds which has emerged as surplus over the term, of a typical policy under current conditions."

This means that the return to the shareholders has trebled over that period.

"The position is further complicated by the type of valuation method required (a net premium valuation at an artificially low rate of interest which would tend, in general, to increase the proportion attributable to shareholders.)"

The Association of British insurers and MIBOC are saying that what we asked for by way of detailed disclosure is not reasonable, cannot be done at fair cost and would be confusing to the investor. All I can do is to say that some members of the industry — the better members — are already doing substantially what we ask.

I invite hon. Members to look at what the Scottish Amicable does at present. This is one of the better insurance companies with which, I am pleased to say, I have a policy. The Scottish Amicable booklet gives a bar chart entitled "What happens to your premiums". On that bar chart are shown the proportions as to commission, expenses and taxation. All this could be reasonably done by most members of the industry. Indeed, this example could be improved upon. I offer it as a model, and hope that my hon. and learned Friend will urge it upon MIBOC.

Mr. Howard: My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) began by paying tribute to MIBOC and congratulating it on its latest document. Given those remarks, I confess that I was disappointed that he did not dissociate himself more robustly from the remarks of his correspondent who went on to accuse MIBOC of fudging the issue. I do not believe that MIBOC has fudged the issue. It is committed to full disclosure of charges wherever possible. It believes that disclosure of expenses on with-profits policies is not practicable. I have no doubt that, if it can be shown that such disclosure is practicable, MIBOC will carefully consider the matter and fully explore the material that has been made available to my hon. Friend.

However, the bar chart to which my hon. Friend referred, and which he held up for the edification of the House, if it is the same bar chart that he showed to me earlier, refers to the proportion of profits, expenses and so on in relation ot the whole of the fund of the insurance company concerned and not to any particular policy. That is, of course, an entirely different matter.

Mr. Butterfill: I am grateful to my hon. and learned Friend for pointing that out. I said that it was not entirely what I had hoped for, but that it gave an illustration of what could be done. I agree that it relates to the whole of the fund and that is its deficiency. Nevertheless, I am advised that a similar bar chart could be done for each product.

Mr. Howard: It does not follow from the fact that one has a bar chart for the fund as a whole that it can be done for particular policies. To say that one does not entirely meet the other leaves a fairly wide gap in the argument.

Schedule 6, as improved by the amendment, is deliberately flexible. It speaks in terms of the rules making proper provision. What proper provision is at any one time must take account of what is practicable at that time. Systems for allocation costs within insurance companies may well change and develop. What is not immediately practicable may later become so. There is, therefore, some scope for evolution in this area. Even if MIBOC is not capable fully of responding to my hon. Friend's concerns in its initial rules, it may be possible in the years ahead, as methods improve and one can identify the breakdown of premiums in the way that my hon. Friend would like to see, for the rules to be changed subsequently.

I commend schedule 6 as amended to the House, as conferring the flexibility that I think is needed and proper to provide the requisite degree of consumer protection in this area.

Amendment agreed to.

Amendment made: No. 177, in page 143, line 20, at end insert—

'6A. The conduct of business rules, or those rules and rules under section 47 of this Act, must make proper provision for requiring an authorised person who in the course of carrying on investment business enters or offers to enter into a transaction in respect of an investment with any person, or gives any person advice about such a transaction, to give that person such information as to the nature of the investment and the financial implications of the transaction as will enable him to make an informed decision.'.

It being Ten o'clock, further consideration of the Bill stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Financial Services Bill may be proceeded with, though opposed, until any hour.—*[Mr. Durant.]*

Financial Services Bill

As amended (in the Standing Committee), again considered.

Mr. Howard: I beg to move amendment No. 178, in page 143, line 31, at end insert

'Classes of investors

10. The conduct of business rules and other rules and regulations made under Chapter V of Part I of this Act must take proper account of the fact that provisions that are appropriate for regulating the conduct of business in relation to some classes of investors may not (by reason of their knowledge, experience or otherwise) be appropriate in relation to others.'

This amendment has been proposed in order to add a new principle to schedule 6 to the Bill. This would enable the Secretary of State to refuse to transfer rule-making functions to an agency if he did not consider that the rules made by the agency took proper account of the fact that different provisions are appropriate for the regulation of the conduct of business in respect of different classes of investors. Different provisions are needed depending on the characteristics of different investors.

This addition to schedule 6 provides a clear signpost to the designated agency to draw up its rules and regulations so as to reflect the differing skills, knowledge, resources and experience of different investors. The rules should, therefore, be flexible in the means by which they ensure adequate investor protection and the orderly conduct of the market. The variable should be not the entitlement to investor protection but the means whereby it is secured.

I am well aware of the concern that has been expressed in the City and elsewhere that the weight of regulation may drive business overseas. I do not share that pessimism. Certain basic safeguards, such as honesty and fair dealing, should apply to all investment business and are essential if the United Kingdom is to maintain and, indeed, enhance its position as one of the world's leading financial centres. At the same time, we fully recognise the dangers of over-regulation. That is why the regulatory framework encourages practitioner-based regulation through the recognised self-regulating organisations and professional bodies.

By virtue of clause 162, the Bill already enables different rules to be made for different cases. The new principle introduced in this amendment requires that the Secretary of State be satisfied that the designated agency has paid proper regard to the different means by which appropriate investor protection can be provided in respect of different categories of investor. For example, some categories of business or professional investor will not need the full panoply of the rules to protect their interests. The House will know that the draft rules which the Securities and Investments Board has been publishing during recent months already distinguish between what are defined as business investors and other investors, a category which will include the less sophisticated, private investor.

I welcome that approach. The principle to be incorporated in schedule 6 should, therefore, offer reassurance to those who have been concerned lest this approach might not be followed in future.

Mr. Gould: We accept that there are different categories of investors who possibly need different levels or mechanisms to protect their interests.

I ask the Minister to bear in mind two matters. First, I hope that the new provision in schedule 6 will not be allowed to operate as some sort of pretext to exempt, for example, the Eurobond market from effective regulation.

Secondly, will the Minister bear in mind that boundaries change between the professional investor and the smaller and less experienced investor, which require a great deal of flexibility in approach? Those boundaries must be watched carefully as the less experienced investor is tempted to move into new areas.

Amendment agreed to.

Schedule 7

DESIGNATED AGENCIES: STATUS AND EXERCISE OF TRANSFERRED FUNCTIONS

Amendments made: No. 175, in page 144, leave out lines 28 to 33.

No. 182, in page 145, line 36, after 'evidence', insert 'or, in Scotland, sufficient evidence'.

No. 183, in page 146, line 18, leave out sub-paragraph (2) and insert

'Consultation

12A.- (1) Before making any rules or regulations by virtue of functions transferred to it by a delegation order a designated agency shall, subject to sub-paragraphs (2) and (3) below, publish the proposed rules and regulations in such manner as appears to the agency to be best calculated to bring them to the attention of the public, together with a statement that representations in respect of the proposals can be made to the agency within a specified period; and before making the rules or regulations the agency shall have regard to any representations duly made in accordance with that statement.

(2) Sub-paragraph (1) above does not apply in any case in which the agency considers that the delay involved in complying with that sub-paragraph would be prejudicial to the interests of investors.

(3) Sub-paragraph (1) above does not apply to the making of any rule or regulation if it is in the same terms (or substantially the same terms) as a proposed rule or regulation which was furnished by the agency to the Secretary of State for the purposes of section 96(8) of this Act.'. *[Mr. Howard.]*

Clause 99

REPORTS AND ACCOUNTS

Mr. Ashdown: I beg to move amendment No. 184, in page 74, line 32, at end insert

'; and every delegation order in respect of a designated agency shall cease to have effect at the end of the period of 28 days beginning with the day on which a report relating to the discharge of the functions trasferred to that designated agency is laid before Parliament under this section, unless before the end of that period that report is approved by a resolution of each House of Parliament.'.

The purpose of the amendment can be stated quite briefly. It is to enshrine within the legislation the right of Parliament to debate a report — for which there is provision elsewhere in the legislation — that will be laid before the House on an annual basis. This is a matter of some importance, but it is one that can be dealth with briefly. I am seeking to probe and if the Minister will provide some useful words on the matter, I shall be satisfied.

We are dealing with a framework which has been changed substantially. It has already been said that there are no fewer than 278 amendments, of which 249 are in in the name of the Government. We all know that there are more amendments to come in another place.

[Mr. Ashdown]

The real effectiveness of the general and overall structure which conducts the important function of regulating the financial services industry will not be known from the Bill and cannot be known from that source. That is because much of the framework needs to be filled in by the rules. Until the rules are drawn and properly enacted, we shall not be able to judge what the effect of the legislation will be.

It is clear that we are moving into uncharted waters. As the hon. Member for Dagenham (Mr. Gould) said, nowhere else in the world have we set up a self-regulating body to regulate capital markets. I believe that it is the right solution in this instance, but I would rather see a stronger body than that which is proposed. It must be said that previous self-regulating bodies that have operated in the City, such as Lloyd's, have been manifestly unsucessful in regulating matters properly and effectively, and some would say that the same can be said of the stock exchange. Massive immunities are to be granted, and the stock exchange will now join the committee of Lloyd's, the Post Office, and the armed forces when fighting an enemy as the only bodies in Britain which have complete immunity from claims from ordinary members of the public for damages. That is an extremely significant immunity. My colleagues and I would say that it is too great an immunity, but that argument has been advanced already.

We are entering uncharted waters in another sense, because we know that ahead of us is the big bang. Indeterminate factors will come into play and no one can predict exactly what will happen after the big bang takes place. It will be important to create a structure which is flexible and capable of being able to respond to and meet the needs that may be created. There are many who believe —I am one of them and I suspect that there are others on the Opposition Benches, and even some on the Government Benches – that the balance that the Minister has sought to draw is to fight the last war, not the next one, against City corruption.

We must be flexible. The House has a right to comment yearly on what has taken place to ensure that the important institutions of our financial services industry, which have served Britain so magnificently in the past and are such an essential part of our economy, are regulated in a proper and appropriate fashion. I hope that the Minister recognises that we are moving into a difficult area and that it will be important to debate the issues that arise. He has gone a great deal towards allowing that to happen. In Committee, he said:

"The agency is required to submit an annual report which must be laid before Parliament, and which Parliament will no doubt wish to debate." — [*Official Report, Standing Committee E*, 6 March 1986; c. 534.]

I hope that the Minister will make a statement of equal clarity this evening. I hope also that he will say that he believes that it will be important, certainly in the early years, for Parliament to have the opportunity to debate the reports. If he says that it is important for the House to have that opportunity, I shall be satisfied. It is important that that should be so, especially in the early years of the development of such an important institution.

Mr. Howard: Many bodies are required to produce annual reports which have to be laid before Parliament. It would be extraordinary for legislation to require that all such reports be debated and approved if dire consequences were to be avoided. If we followed such an approach generally, there would be little time left for debates on other matters. It would be open to Parliament to debate a particular report of the agency if that were desired, and I am sure that it would often want to do so. It would not be sensible to provide that every report must be debated, regardless of whether such use of parliamentary time is justified. I invite the House to reject the amendment.

Mr. Ashdown: I do not wish to prolong the debate, but the Minister has dismissed the amendment with rather less care and consideration than we expect of him. He was more forthcoming in Committee. I hope that he will recognise that it is important that the House should have an opportunity to debate the annual reports, especially in the early years. The financial services structure which he is putting into place will be extremely important. In the light of his comments in Committee, rather than those which he has just made, and in the interests of getting on to Third Reading as soon as possible, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 102

MODIFICATION OF S. 101 WHERE RECOGNITION FUNCTION IS TRANSFERRED

Amendment made: No. 185, in page 78, line 4, leave out from beginning to 'in' in line 3 and insert

'subsection (3) of section 101 above he may, notwithstanding the delegation order, himself exercise the power conferred by paragraph *(a)* of that subsection or direct the designated agency to exercise the power conferred by paragraph *(b)* or *(c)* of that subsection'. — *[Mr. Howard.]*

Clause 104

REPORTS BY DIRECTOR GENERAL OF FAIR TRADING

Amendments made: No. 186, in page 79, leave out lines 31 to 35 and insert

'the matter specified in the notice of which a copy is sent to him under subsection (3) above'.

No. 187, in page 79, line 38, leave out 'in' and insert 'before'.

No. 188, in page 79, line 39, after 'above', insert 'by reason of that matter'. *[Mr. Howard.]*

Clause 109

SUPPLEMENTARY PROVISIONS

Amendment made: No. 189, in page 83, line 21, after '109', insert—

'(1A) Before the Secretary of State exercises a power under section '01(3)*(b)* or *(c)* above, his power to refuse leave under section 102(2) above or his power to give a direction under section 102(4) above in respect of a self-regulating organisation, investment exchange or clearing house, or his power under section 103(3)*(b)* above in respect of a designated agency, he shall—

(a) give written notice of his intention do do so to the organisation, exchange, clearing house or agency and take such steps (whether by publication or otherwise) as he thinks appropriate for bringing the notice to the attention of any other person who in his opinion is likely to be affected by the exercise of the power; and

(b) have regard to any representation made within such time as he considers reasonable by the organisation, exchange, clearing house or agency or by any such other person.

(1B) A notice under subsection (1A) above shall give particulars of the manner in which the Secretary of State proposes to exercise the power in question and state the reasons for which he proposes to act; and the statement of reasons may include matters contained in any report received by him under section 104 above.'.—*[Mr. Howard.]*

Schedule 8

Regulated Insurance Companies

Amendment made: No. 190, in page 147, leave out lines 2 and 3 and insert—

'2.—(1) An insurance company to which section 21 of this Act applies shall not be an authorised person except by virtue of that section.

(1A) If an insurance company to which Part II of the Insurance Companies Act 1982 applies but to which section 21 of this Act does not apply becomes an authorised person by virtue of any other provision of this Act it shall be an authorised person only as respects the management of the investments of any pension fund which is established solely for the benefit of the officers or employees and their dependants of that company or of any other body corporate in the same group as that company.

(1B) An insurance company to which section 30 of this Act applies shall not, so long as it is an authorised person by virtue of that section, be an authorised person by virtue of any other provision of this Act.'. *[Mr. Howard.]*

Financial Services Bill

Schedule 9

FRIENDLY SOCIETIES

Amendments made: No. 194, in page 151, line 27, leave out from beginning to end of line 14 on page 152 and insert

"PART I

SELF-REGULATING ORGANISATIONS FOR FRIENDLY SOCIETIES

Preliminary

1. In this Schedule

"a regulated friendly society" means a society which is an authorised person by virtue of section 22 of this Act as respects such investment business as is mentioned in that section;

"regulated business", in relation to a regulated friendly society, means investment business as respects which the society is authorised by virtue of that section;

"a self-regulating organisation for friendly societies" means a self-regulating organisation which is permitted under its rules to admit regulated friendly societies as members and to regulate the carrying on by such societies of regulated business;

"a recognised self-regulating organisation for friendly societies" means a body declared by an order of the Registrar for the time being in force to be a recognised self-regulating organisation for friendly societies for the purposes of this Schedule;

"a member society" means a regulated friendly society which is a member of an appropriate recognised self-regulating organisation for friendly societies and is subject to its rules in carrying on all its regulated business and, for the purposes of this definition, "an appropriate recognised self-regulating organisation for friendly societies" means

(a) in the case of any such society as is mentioned in section 22(1) of this Act, an organisation declared by an order of the Chief Registrar of friendly societies for the time being in force to be a recognised self-regulating organisation for friendly societies for the purposes of this Schedule; and

(b) in the case of any such society as is mentioned in section 22(2) of this Act, an organisation declared by an order of the Registrar of Friendly Societies for Northern Ireland for the time being in force to be such an organisation;

"the Registrar" means

(a) in relation to any such society as is mentioned in section 22(1) of this Act, or to any self-regulating organisation for friendly societies which has applied for or been granted a recognition order made by him, the Chief Registrar of friendly societies; and

(b) in relation to any such society as is mentioned in section 22(2) of this Act, or to any self-regulating organisation for friendly societies which has applied for or been granted a recognition order made by him, the Registrar of Friendly Societies for Northern Ireland.

Recognition

2. — (1) A self-regulating organisation for friendly societies may apply to the Chief Registrar of Friendly Societies or the Registrar of Friendly Societies for Northern Ireland for an order declaring it to be a recognised self-regulating organisation for friendly societies for the purposes of this Schedule.

(2) An application under sub-paragraph (1) above—

(a) shall be made in such manner as the Registrar may direct; and

(b) shall be accompanied by such information as the Registrar may reasonably require for the purpose of determining the application.

(3) At any time after receiving an application and before determining it the Registrar may require the applicant to furnish additional information.

(4) The directions and requirements given or imposed under sub-paragraphs (2) and (3) above may differ as between different applications.

(5) Any information to be furnished to the Registrar under this paragraph shall, if he so requires, be in such form or verified in such manner as he may specify.

(6) Every application shall be accompanied by a copy of the applicant's rules and of any guidance issued by the applicant which is intended to have continuing effect and is issued in writing or other legible form.

2A. (1) If, on an application duly made in accordance with paragraph 2 above and after being furnished with all such information as he may require under that paragraph, it appears to the Registrar from that information and having regard to any other information in his possession that the requirements mentioned in paragraph 2B below are satisfied as respects that organisation, he may, with the consent of the Secretary of State and subject to sub-paragraph (2) below, make an order ("a recognition order") declaring the applicant to be a recognised self-regulating organisation for friendly societies.

(2) Where the Registrar proposes to grant an application for a recognition order he shall send to the Secretary of State a copy of the application together with a copy of the rules and any guidance accompanying the application and the Secretary of State shall not consent to the making of the recognition order unless he is satisfied that the rules and guidance of which copies have been sent to him under this sub-paragraph do not have, and are not intended or likely to have, to any significant extent the effect of restricting, distorting or preventing competition or, if they have or are intended or likely to have that effect to any significant extent, that the effect is not greater than is necessary for the protection of investors.

(3) Section 104 of this Act shall apply in relation to the decision whether to consent to the making of a recognition order under this paragraph as it applies to the decisions mentioned in subsection (1) of that section.

(4) The Registrar may refuse to make a recognition order in respect of an organisation if he considers that its recognition is unnecessary having regard to the existence of one or more other organisations which are concerned with such investment business as is mentioned in section 22 of this Act and which have been or are likely to be recognised under this paragraph.

(5) Where the Registrar refuses an application for a recognition order he shall give the applicant a written notice to that effect specifying a requirement which in the opinion of the Registrar is not satisfied, stating that the application is refused on the ground mentioned in sub-paragraph (4) above or stating that the Secretary of State has refused to consent to the making of the order.

(6) A recognition order shall state the date on which it takes effect.

2B. (1) The requirements referred to in paragraph 2A above are that mentioned in sub-paragraph (2) below and those set out in paragraphs 2 to 7 of Schedule 2 to this Act as modified in sub-paragraphs (3) and (4) below.

(2) The rules of the organisation must take proper account of the Friendly Societies Act 1974 or, as the case may be, the Friendly Societies Act (Northern Ireland) 1970.

(3) In paragraph 3 of Schedule 2—

(a) in sub-paragraph (1) for the reference to Chapter V of Part I of this Act there shall be substituted a reference to paragraphs 4 to 11 below; and

(b) in sub-paragraph (2) for the reference to Chapter VI of that Part there shall be substituted a reference to the powers exercisable by the Registrar by virtue of paragraph 12 below.

(4) In paragraph 4—

(a) for the references to Chapter V of Part I of this Act there shall be substituted references to paragraphs 4 to 11 below; and

(b) in sub-paragraph (1A) for the reference to members of a recognised self-regulating organisation or recognised professional body there shall be substituted a reference to members of a self-regulating organisation for friendly societies.

Revocation of recognition

2C.—(1) A recognition order may be revoked by a further order made by the Registrar if at any time it appears to him

(*a*) that any requirement mentioned in paragraph 2B(1) above is not satisfied in the case of the organisation to which the recognition order relates ("the recognised organisation");

(*b*) that the recognised organisation has failed to comply with any obligation to which it is subject by virtue of this Act; or

(*c*) that the continued recognition of the organisation is undesirable having regard to the existence of one or more other organisations which have been or are to be recognised under paragraph 2A above.

(2) Subsections (2) to (9) of section 11 of this Act shall have effect in relation to the revocation of a recognition order under subsection (1) of that section but with the substitution for references to the Secretary of State for references to the Registrar.

Compliance orders

2D.—(1) If at any time it appears to the Registrar

(*a*) that any requirement mentioned in paragraph 2B above is not satisfied in the case of a recognised organisation; or

(*b*) that a recognised organisation has failed to comply with any obligation to which it is subject by virtue of this Act,

he may, instead of revoking the recognition order under paragraph 2C above, make an application to the court under this paragraph.

(2) If on any such application the court decides that the requirement in question is not satisfied or, as the case may be, that the organisation has failed to comply with the obligation in question it may order the organisation concerned to take such steps as the court directs for securing that that requirement is satisfied or that that obligation is complied with.

(3) The jurisdiction conferred by this section shall be exercisable by the High Court and the Court of Session.

2E.—(1) If at any time it appears to the Registrar that the rules of a recognised organisation do not satisfy the requirements of paragraph 3(1) of Schedule 2 to this Act as modified by paragraph 2B(3) above he may, instead of revoking the recognition order or making an application under paragraph 2D above, direct the organisation to alter, or himself alter, its rules in such manner as he considers necessary for securing that the rules satisfy those requirements.

(2) Before giving a direction or making any alteration under this paragraph the Registrar shall consult the organisation concerned.

(3) Any direction given under sub-paragraph (1) above shall, on the application of the Registrar, be enforceable by mandamus or, in Scotland, by an order for specific performance under section 91 of the Court of Session Act 1868.

(4) A recognised organisation whose rules have been altered by or pursuant to a direction given by the Registrar under sub-paragraph (1) above may apply to the court and if the court is satisfied—

(*a*) that the rules without the alteration satisfied the requirements mentioned in that sub-paragraph; or

(*b*) that other alterations proposed by the organisation would result in the rules satisfying those requirements,

the court may set aside the alteration made by or pursuant to the direction given by the Registrar and, in a case within paragraph (*b*) above, order the organisation to make the alterations proposed by it; but the setting aside of an alteration under this sub-paragraph shall not affect its previous operation.

(5) The jurisdiction conferred by sub-paragraph (4) above shall be exerciseable by the High Court and the Court of Session.

(6) The fact that the rules of a recognised organisation have been altered by or pursuant to a direction given by the Registrar, or pursuant to an order made by the court, under this paragraph shall not preclude their subsequent alteration or revocation by that organisation.

2F.—(1) The Registrar or the Secretary of State may make regulations requiring a recognised organisation to give the Registrar or, as the case may be, the Secretary of State forthwith notice of the occurrence of such events relating to the organisation or its members as are specified in the regulations and such information in respect of those events as is so specified.

(2) The Registrar or the Secretary of State may make regulations requiring a recognised organisation to furnish the Registrar or, as the case may be, the Secretary of State at such times or in respect of such periods as are specified in the regulations with such information relating to the organisation or its members as is so specified.

(3) The notices and information required to be given or furnished under the foregoing provisions of this paragraph shall be such as the Registrar or, as the case may be, the Secretary of State may reasonably require for the exercise of his functions under this Act.

(4) Regulations under the foregoing provisions of this paragraph may require information to be given in a specified form and to be verified in a specified manner.

(5) A notice or information required to be given or furnished under the foregoing provisions of this paragraph shall be given in writing or in such other manner as the Registrar or, as the case may be, the Secretary of State may approve.

(6) Where a recognised organisation amends, revokes or adds to its rules or guidance it shall within seven days give the Registrar written notice of the amendment, revocation or addition; but notice need not be given of the revocation of guidance other than such as is mentioned in paragraph 2(6) above or of any amendment of or addition to guidance which does not result in or consist of such guidance as is there mentioned.

(7) The Registrar shall send the Secretary of State a copy of any notice given to him under sub-paragraph (6) above.

(8) Contravention of this paragraph shall not be an offence.

2G.—(1) A recognised self-regulating organisation for friendly societies shall not exercise any powers for purposes corresponding to those of the powers exercisable by the Registrar by virtue of paragraph 12 below in relation to a regulated friendly society unless it has given reasonable notice of its intention to do so to the Registrar and informed him

(*a*) of the manner in which and the date on or after which it intends to exercise the power; and

(*b*) in the case of a proposal to impose a prohibition or requirement, of the reason why it proposes to act and its reasons for considering that that reason exists and that it is necessary to impose the prohibition or requirement.

(2) A recognised self-regulating organisation for friendly societies shall not exercise any power to which sub-paragraph (1)(*a*) above applies if before the date given in the notice in pursuance of that sub-paragraph the Registrar has served on it a notice in writing directing it not to do so; and the Registrar may serve such a notice if he considers it is desirable for protecting members or potential members of the society against the risk that it may be unable to meet its liabilities or to fulfil the reasonable expectations of its members or potential members.

Prevention of restrictive practices

2H.—(1) The powers conferred by sub-paragraph (2) below shall be exercisable by the Secretary of State if at any time it appears to him that—

(*a*) any rules made or guidance issued by a recognised self-regulating organisation for friendly societies;

(*b*) any practices of any such organisation; or

(*c*) any practices of persons who are members of, or otherwise subject to the rules made by, any such organisation,

have, or are intended or likely to have, to a significant extent the effect of restricting, distorting or preventing competition and that that effect is greater than is necessary for the protection of investors.

(2) The powers exercisable under this sub-paragraph are to direct the Registrar—

(*a*) to revoke the recognition order of the organisation;

[Mr. Ashdown]

(b) to direct the organisation to take specified steps for the purpose of securing that the rules, guidance or practices in question do not have the effect mentioned in sub-paragraph (1) above;

(c) to make alterations in the rules for that purpose;

and subsections (2) to (5), (7) and (9) of section 11 of this Act, as applied by sub-paragraph (2) of paragraph 2C above, shall have effect in relation to the revocation of a recognition order by virtue of a direction under this sub-paragraph as they have effect in relation to the revocation of such an order under sub-paragraph (1) of that paragraph.

(3) The practices referred to in paragraph *(b)* of sub-paragraph (1) above are practices of the organisation in its capacity as such; and the practices referred to in paragraph *(c)* of that sub-paragraph are practices in relation to business in respect of which the persons in question are subject to the rules of the organisation and which are required or contemplated by its rules or guidance or otherwise attributable to its conduct in its capacity as such.

(4) The fact that any rules made by a recognised self-regulating organisation for friendly societies have been altered pursuant to a direction given by the Secretary of State under this paragraph shall not preclude their subsequent alteration or revocation by that organisation.

(5) Subsections (3) to (6) of section 104 of this Act shall apply for the purposes of this paragraph as if

(a) the reference to a notice in subsection (3) included a notice received under paragraph 2F(7) above or 22A(4) below;

(b) the reference to the Secretary of State's powers in subsection (4) included his powers under paragraph 2H(2) above; and

(c) the reference to practices in subsection (5) included such practices as are mentioned in paragraph 2H(1) above.

Fees

21. (1) An applicant for a recognition order under paragraph 2A above shall pay such fees in respect of his application as may be required by a scheme made and published by the Registrar; and no application for such an order shall be regarded as duly made unless this sub-paragraph is complied with.

(2) Subsections (2) to (4) of section 94 of this Act apply to a scheme under subparagraph (1) above as they apply to a scheme under subsection (1) of that section.

(3) Every recognised self-regulating organisation for friendly societies shall pay such periodical fees to the Registrar as he may by regulations prescribe.

Application of provisions of this Act

22. (1) Subject to sub-paragraph (2) below, sections 89(1)*(c)*, 106, 107, 108, 109(4), 149(1)*(l)*, *[Exemption from liability for damages]* 152 and 156(4) of this Act and paragraph 3(3) of Schedule 5 to this Act shall apply in relation to recognised self-regulating organisations for friendly societies as they apply in relation to recognised self-regulating organisations.

(2) In its application by virtue of sub-paragraph (1) above section 108(1) of this Act shall have effect as if the reference to section 101(2) were a reference to paragraph 2H(1) above.

(3) In its application by virtue of sub-paragraph (1) above subsection (2) of section *[Exemption from liability for damages]* of this Act shall have effect as if—

(a) the reference in paragraph *(a)* to paragraphs 1 to 6 of Schedule 2 were to paragraphs 2 to 6 of that Schedule; and

(b) paragraph *(d)* referred to the powers of the organisation under paragraph 12(4) below.

(4) A direction under subsection (1) of section 152 of this Act as it applies by virtue of sub-paragraph (1) above shall direct the Registrar to direct the organisation not to take or, as the case may be, to take the action in question; and where the function of making or revoking a recognition order in respect of a self-regulating organisation for friendly societies is exercisable by a transferee body any direction under that subsection as it applies as aforesaid shall be a direction requiring the Registrar to direct the transferee body to give the organisation such a direction as it specified in the direction given by the Secretary of State.

(5) Subsection (4) of that section shall not apply to a direction given to the Registrar by virtue of this paragraph.

PART II

REGISTRAR'S POWERS IN RELATION TO REGULATED FRIENDLY SOCIETIES

No. 195, in page 152, line 17, after second 'in', insert 'this Part of'.

No. 196, in page 152, line 26, after 'society', insert 'other than a member society'.

No. 197, in page 153, line 18, at end insert 'other than member societies'.

No. 198, in page 153, line 26, after 'society', insert 'other than a member society'.

No. 199, in page 153, line 34, after 'society', insert 'other than a member society'.

No. 200, in page 153, line 45, leave out from 'anything' to end of line 49 and insert

'done by such a society in the course of or in consequence of an unsolicited call which, as respects the society, constitutes the carrying on of regulated business, if it is permitted to be done by the society in those circumstances

(a) in the case of a member society, by the rules of the recognised self-regulating organisation for friendly societies of which it is a member; and

(b) in any other case, by regulations made by the Registrar with the consent of the Secretary of State.'.

No. 201, in page 154, line 2, after 'society', insert 'other than a member society'.

No. 202, in page 154, leave out lines 20 and 21.

No. 203, in page 154, line 21, at end insert

'(v) the rules of a recognised self-regulating organisation for friendly societies in relation to which it is a member society;'.

No. 204, in page 154, line 37, after 'paragraph', insert '*(a)*'.

No. 205, in page 154, line 39, after 'or', insert '*(b)* a contravention of'.

No. 206, in page 154, line 39, at end insert

'or

(c) a contravention by a member society of any rules of the recognised self-regulating organisation for friendly societies of which it is a member relating to a matter in respect of which rules or regulations have been or could be made under this Schedule or any such requirement could be imposed.'.

No. 207, in page 155, line 21, at end insert

'(4) The powers conferred by this paragraph shall not be exercisable in relation to a member society, except that the powers conferred by virtue of section 62(1)*(b)* of this Act may on any of the grounds mentioned in sub-paragraph (2) above be exercised in relation to a member society at the request of the organisation in relation to which it is a member society.'.

No. 208, in page 155, line 23, after 'society', insert '(other than a member society) or any self-regulating organisation for friendly societies'.

No. 209, in page 156, line 1, leave out paragraph 15.

No. 210, in page 156, line 11, leave out from first 'of' to end of line 13 and insert—

(i) this Act or any rules or regulations made under it;

(ii) any requirement imposed under paragraph 13 above;

(iii) the rules of a recognised self-regulating organisation for friendly societies in relation to which it is a member society; or'.

No. 211, in page 156, line 37, leave out from first 'of' to end of line 39 and insert—

(i) this Act or any rules or regulations made under it;

(ii) any requirement imposed under paragraph 13 above;

(iii) the rules of a recognised self-regulating organisation for friendly societies in relation to which it is a member society; or'.

No. 212, in page 157, line 11, at end insert

'PART III

TRANSFER OF REGISTRAR'S FUNCTIONS'

No. 213, in page 157, line 23, at end insert

'(1A) The body to which functions are transferred by the first order made under sub-paragraph (1) above shall be the body known as the Securities and Investments Board Limited if the Secretary of State consents to the making of the order and it appears to the Registrar that that body is able and willing to discharge those functions, that the requirements mentioned in paragraph *(b)* of that sub-paragraph are satisfied in the case of that body and that he is not precluded from making the order by the following provisions of this paragraph or paragraph 19 or 20 below.'.

No. 214, in page 157, line 35, leave out 'sub-paragraph (5)' and insert 'sub-paragraphs (5) and (6A)'.

No. 215, in page 157, line 37, leave out '4' and insert '2'.

No. 216, in page 158, line 4, at end insert

'(6A) A transfer order

(a) may reserve to the Registrar the function of revoking a recognition order in respect of a self-regulating organisation for friendly societies on the ground that the requirement mentioned in paragraph 2B(2) above is not satisfied; and

(b) shall not transfer to a transferee body the function of revoking any such recognition order on the ground that the organisation has contravened the provisions of paragraph 2G above.'.

No. 217, in page 159, line 1, leave out from 'the' to 'paragraph' in line 3 and insert

'reference to section 96(8)*(b)* of this Act there shall be substituted a reference to'.

No. 218, in page 159, line 6, leave out 'paragraphs 1(2) and (3) and 4(2)' and insert 'paragraph 1(2) and (3)'.

No. 219, in page 159, line 11, at end insert

'*(d)* paragraph 12A(3) shall have effect as if the reference to section 96(8) were a reference to paragraph 19(1) above.'.

No. 220, in page 159, line 18, at end insert

'22A. (1) This paragraph applies where the function of making or revoking a recognition order in respect of a self-regulating organisation for friendly societies is exercisable by a transferee body.

(2) Paragraph 2A(2) above shall have effect as if the first reference to the Secretary of State included a reference to the Registrar.

(3) The transferee body shall not regard the requirement mentioned in paragraph 2B(2) as satisfied unless the Registrar has certified that he also regards it as satisfied.

(4) A transferee body shall send the Registrar and the Secretary of State a copy of any notice received by it under paragraph 2F(6) above.

(5) Where the Secretary of State exercises any of the powers conferred by paragraph 2H(2) above in relation to an organisation the Registrar shall direct the transferee body to take the appropriate action in relation to that organisation.'.

No. 221, in page 160, line 7, leave out '106, 108 and'.

No. 222, in page 160, line 27, leave out 'Section 109(1)' and insert

'For the powers referred to in subsection (1A) of section 109 there shall be substituted references to the powers under paragraphs 2H(2)*(b)* or *(c)* or 2A(2) above or the power mentioned in paragraph 25(3)*(b)* above and subsection (1) of that section.'.

No. 223, in page 161, leave out line 3 and insert

'PART IV

MISCELLANEOUS AND SUPPLEMENTAL

26A. In the case of an application for authorisation under section 25 of this Act made by a society which is registered under the Friendly Societies Act 1974 within the meaning of that Act or is registered or deemed to be registered under the Friendly Societies Act (Northern Ireland) 1970 ("a registered society"), section 26(3)*(b)* of this Act shall have effect as if it referred only to any person who is a trustee, manager or member of the committee of the society.

26B. Where the other person mentioned in paragraph *(c)* of the definition of "connected person" in section 92(9) of this Act is a registered society that paragraph shall have effect with the substitution for the words from "member" onwards of the words "trustee, manager or member of the committee of the society".

26C. In relation to any such document as is mentioned in subsection (1) of section 161 of this Act which is required or authorised to be given to or served on a registered society

(a) subsection (3)*(c)* of that section shall have effect with the substitution for the words from "member" onwards of the words "trustee, manager or member of the committee of the society"; and

(b) subsection (4)*(c)* of that section shall have effect as if for the words from "member" onwards there were substituted the words "trustee, manager or member of the committee of the society, the office which is its registered office in accordance with its rules".'.

No. 224, in page 161, line 8, after '28', insert

'The proviso to section 32(1) of the Industrial Assurance Act 1923.'

No. 225, in page 161, line 8, leave out 'and'.

No. 226, in page 161, line 10, after '1970', insert

'and Article 36(2) of the Industrial Assurance (Northern Ireland) Order 1979'

No. 227, in page 161, line 10, leave out from 'dispute' to end of line 13 and insert

'to which there apply any rules such as are mentioned in section 45(2)*(f)* of this Act which have been made by the Registrar under paragraph 4 above or any corresponding rules made by a self-regulating company for friendly societies; but where those rules relate only to part of the matters in dispute

(a) this paragraph shall not preclude the reference to the Registrar of the matters to which the rules do not relate; and

(b) the Registrar may, if he thinks fit, delegate his functions under section 77 of the said Act of 1974 or, as the case may be, section 65 of the said Act of 1970 in respect of those other matters so as to enable all the matters in dispute to be determined in accordance with the rules.'.

No. 228, in page 161, line 25, after 'and', insert

'the Statutory Instruments Act 1946 shall apply to any such power as if the Chief Registrar of friendly societies were a Minister of the Crown.

(2)'. *[Mr. Howard.]*

Clause 118

APPLICATIONS FOR LISTING

Amendments made: No. 229, in page 90, line 35, after 'societies', insert

', industrial and provident societies or credit unions'.

No. 230, in page 91 line 37, leave out subsection (9) —*[Mr. Howard.]*

Clause 129

LISTING RULES: GENERAL PROVISIONS

Amendment made: No. 231, page 199, line 7, after 'evidence' insert:

'or, in Scotland, sufficient evidence'.—*[Mr. Howard.]*

Clause 130

QUESTIONS AS TO PREVIOUS CONVICTIONS

Amendment made: No. 232, in page 99, line 15, leave out clause 130. *[Mr. Howard.]*

Schedule 10

TAKEOVER OFFERS:

PROVISIONS SUBSTITUTED FOR SECTIONS 428, 429 AND 430 OF COMPANIES ACT 1985

Amendments made: No. 233, in page 162, line 34, leave out 'the announcement of'.

No. 234, in page 163, line 35, leave out subsection (8) and insert

'(8) Where during the period within which a takeover offer can be accepted the offeror acquires or contracts to acquire any of the shares to which the offer relates but otherwise than by virtue of acceptances of the offer, then, if

(a) the value of the consideration for which they are acquired or contracted to be acquired ("the acquisition consideration") does not at that time exceed the value of the consideration specified in the terms of the offer; or

(b) those terms are subsequently revised so that when the revision is announced the value of the acquisition consideration, at the time mentioned in paragraph *(a)* above, no longer exceeds the value of the consideration specified in those terms,

the offeror shall be treated for the purposes of this section as having acquired or contracted to acquire those shares by virtue of acceptances of the offer; but in any other case those shares shall be treated as excluded from those to which the offer relates.'

No. 235, in page 164, line 48, leave out from '(5)' to 'and' in line 49.

No. 236, in page 165, line 3, leave out subsection (10) and insert—

'(10) Any sum received by a company under paragraph *(b)* of subsection (5), and any dividend or other sum accruing from any other consideration received by a company under that paragraph, shall be paid into a separate bank account, being an account the balance on which bears interest at an appropriate rate and can be withdrawn by such notice (if any) as is appropriate.

No. 237, in page 165, line 9, after 'enquiry', insert

'made at such intervals as are reasonable'.

No. 238, in page 165, line 12, leave out from 'received' to end of line 13 and insert—

'or the company is wound up the consideration (together with any interest, dividend or other benefit that has accrued from it) shall be paid into court.

(12) In relation to a company registered in Scotland, subsections (13) and (14) shall apply in place of subsection (11).

(13) Where after reasonable enquiry made at such intervals as are reasonable the person entitled to any consideration held on trust by virtue of subsection (9) cannot be found and twelve years have elapsed since the consideration was received or the company is wound up—

(a) the trust shall terminate;

(b) the company or, as the case may be, the liquidator shall sell any consideration other than cash and any benefit other than cash that has accrued from the consideration; and

(c) a sum representing—

(i) the consideration so far as it is cash;

(ii) the proceeds of any sale under paragraph *(b)* above; and

(iii) any interest, dividend or other benefit that has accrued from the consideration,

shall be deposited in the name of the Accountant of Court in a bank account such as is referred to in subsection (10) and the receipt for the deposit shall be transmitted to the Accountant of Court.

(14) Section 58 of the Bankruptcy (Scotland) Act 1985 (so far as consistent with this Act) shall apply with any necessary modifications to sums deposited under subsection (13) as that section applies to sums deposited under section 57(1)*(a)* of that Act.

(15) The expenses of any such enquiry as is mentioned in subsection (11) or (13) may be defrayed out of the money or other property held on trust for the person or persons to whom the enquiry relates.'.

No. 239, in page 166, line 21, leave out from first 'the' to end of line 27 and insert

'holder of the shares may indicate his choice when requiring the offer to acquire them and the notice given to the holder under section 430A(3)

(a) shall give particulars of the choice and of the rights conferred by this subsection; and

(b) may state which consideration specified in the offer is to be taken as applying in default of his indicating a choice;'.

No. 240, in page 167, line 9, after 'costs', insert 'or expenses'.

No. 241, in page 167, line 33, leave out 'known shareholders' and insert

'shareholders who have been traced but'.

No. 242, in page 167, line 36, leave out from 'jointly' to end of line 42 and insert

'and in that event this Part of this Act has effect with the following modifications.

(2) The conditions for the exercise of the rights conferred by sections 429 and 430A shall be satisfied by the joint offerors acquiring or contracting to acquire the necessary shares jointly (as respects acquisitions by virtue of acceptances of the offer) and either jointly or separately (in other cases); and, subject to the following provisions, the rights and obligations of the offeror under those sections and sections 430 and 430B shall be respectively joint rights and joint and several obligations of the joint offerors.

(3) It shall be a sufficient compliance with any provision of those sections requiring or authorising a notice or other document to be given or sent by or to the joint offerors that it is given or sent by or to any of them; but the statutory declaration required by section 429(4) shall be made by all of them and, in the case of a joint offeror being a company, signed by a director of that company.

(4) In sections 428, 430(8) and 430E references to the offeror shall be construed as references to the joint offerors or any of them.

(5) In section 430(6) and (7) references to the offeror shall be construed as references to the joint offerors or such of them as they may determine.

(6) In sections 430(4)*(a)* and 430B(4)*(a)* references to the offeror being no longer able to provide the relevant consideration shall be construed as references to none of the joint offerors being able to do so.

(7) In section 430C references to the offeror shall be construed as references to the joint offerors except that any application under subsection (3) or (5) may be made by any of them and the reference in subsection (5)*(a)* to the offeror having been unable to trace one or more of the persons holding shares shall be construed as a reference to none of the offerors having been able to do so.'.

No. 243, in page 167, line 47, leave out from 'but' to end of line 2 on page 168 and insert

', subject to subsection (1A), shares which any such associate holds or has contracted to acquire, whether at the time when the offer is made or subsequently, shall be disregarded for the purposes of any reference in this Part of this Act to the shares to which a takeover offer relates.

(1A) Where during the period within which a takeover offer can be accepted any associate of the offeror acquires or contracts to acquire any of the shares to which the offer relates, then, if the condition specified in subsection (8)*(a)* or

(b) of section 429 is satisfied as respects those shares they shall be treated for the purposes of that section as shares to which the offer relates.'. *[Mr. Howard.]*

Clause 147

INVESTIGATIONS INTO INSIDER DEALING

Amendments made: No. 244, in page 109, line 28, leave out 'books or'.

No. 245, in page 109, line 40, leave out subsection (5). *[Mr. Howard.]*

Clause 149

EXEMPTIONS FROM RESTRICTIONS ON CLOSURE

Amendments made: No. 246, in page 112, line 16, leave out 'under' and

'arising under or by virtue of'.

No. 247, in page 113, line 8, at end insert

'*(g)* for the purpose of enabling or assisting an official receiver to discharge his functions under the enactment relating to insolvency or for the purpose of enabling or assisting a body which is for the time being a recognised professional body for the purposes of section 3 of the Insolvency Act 1985 to discharge its functions as such;'.

No. 248, in page 113, line 15, at end insert

'*(h)* with a view to the institution of, or otherwise for the purposes of, any disciplinary proceedings relating to the exercise by a solicitor, auditor, accountant, valuer or actuary of his professional duties;'.

No. 249, in page 114, line 22, at end insert

'(6A) Section 148 above shall not preclude the disclosure of information by the Dierector General of Fair Trading or any officer or servant of his or any person obtaining the information directly or indirectly from the Director or any such officer or servant if the information was obtained by the director or any such officer or servant for the purposes of or in the discharge of his functions under this Act (whether or not he was the primary recipient of the information within the meaning of section 148 above) and the dislosure is made—

(a) for the purpose of enabling or assisting the Director, the Secretary of State or any other Minister, the Monopolies and Mergers Commission or any Northern Ireland department to discharge any function conferred on him or them by the Fair Trading Act 1973 (other than Part II or III of that Act), the Restrictive Trade Practices Act 1976 or the Competition Act 1980; or

(b) for the purposes of any civl proceedings under any of those provisions;

and information shall not be treated as restricted information for the purposes of section 148 above if it has been made available to the public by virtue of this subsection.

(6B) The Secretary of State may by order modify the application of any provision of this section so as—

(a) to prevent the dislosure by virtue of that provision; or

(b) to restrict the extent to which disclosure is permitted by virtue of that provision,

of information received by a person specified in the order pursuant to a Community obligation from a person exercising functions in relation to collective investment schemes who is also so specified.'.

No. 250, in page 114, line 23, after '(3)', insert 'or (6B)'. —*[Mr. Howard.]*

Clause 151

RECIPROCITY

Amendment made: No. 251, in page 114, line 37, leave out Clause 151. *[Mr. Howard.]*

Clause 155

DISCLOSURE OF INTERESTS IN SHARES:

INTEREST HELD BY MARKET MAKER

Amendment made: No. 252, in page 120, line 27, at end insert

'; and an interest of such a person in shares is an exempt interest if he carries on business as a market maker in the United Kingdom, is subject to such rules in the carrying on of that business and holds the interest for the purposes of that business.'. *[Mr. Howard.]*

Clause 157

INVESTIGATION OF UNAUTHORISED PERSONS

Amendment made: No. 253, in page 122, line 1, leave out Clause 157. *[Mr. Howard.]*

Clause 158

PROSECUTIONS

Amendments made: No. 254, in page 122, line 5, after '114', insert 'or *(Banking business)*'.

No. 255, in page 122, line 6, leave out from 'by' to second 'or' in line 7 and insert:

'or with the consent of the Secretary of State'.

No. 256, in page 122, line 9, after 'by', insert:

'or with the consent of'.

No. 257, in page 122, line 20, at end insert—

'(2A) Proceedings in respect of an offence under section *(Banking business)* above shall not be instituted—

(a) in England and Wales, except by or with the consent of the Treasury or the Director of Public Prosecutions; or

(b) in Northern Ireland, except by or with the consent of the Treasury or the Director of Public Prosecutions for Northern Ireland.'.

No. 258, in page 122, line 20, at end insert—

'(3) The functions to which section 96 above applies shall include the function of the Secretary of State under subsection (1) above to institute proceedings but any transfer of that function shall be subject to a reservation that it is to be exercisable by him concurrently with the designated agency and so as to be exercisable by the agency subject to such conditions or restrictions as the Secretary of State may from time to time impose.'.—*[Mr. Howard.]*

Clause 163

INTERPRETATION

Amendments made: No. 259, in page 125, line 12, at end insert—

'"appointed representative" has the meaning given in section 41 above;'.

No. 260, in page 125, leave out lines 36 and 37.

No. 261, in page 125, line 43, at end insert—

'"guidance", in relation to a self-regulating organisation, professional body, investment exchange, clearing house or designated agency, has the meaning given in section 8(4), 16(4), 35(3), 37(3) or 96(11) above;'.

No. 262, in page 126, line 32, leave out 'exempt' and insert 'appointed'.

No. 263, in page 127, line 10, at end insert—

'"recognised self-regulating organisation for friendly societies" has the meaning given in paragraph 1 of Schedule 9 to this Act.'.

No. 264, in page 127, line 12, after 'organisation', insert 'self-regulating organisation for friendly societies'.

No. 265, in page 127, line 13, at end insert—

'"registered friendly society" means—

(a) a society which is a friendly society within the meaning of section 7(1)*(a)* of the Friendly Societies Act 1974 and is registered within the meaning of that Act; or

(b) a society which is a friendly society within the meaning of section 1(1)*(a)* of the Friendly Societies Act (Northern Ireland) 1970 and is registered or deemed to be registered under that Act;'.

No. 266, in page 127, line 13, at end insert—

'"rules", in relation to a self-regulating organsation, professional body, investment exchange or clearing house, has the meaning given in section 8(3), 16(3), 35(2) or 37(2) above;'.

No. 267, in page 127, line 16, at end insert—

'"trustee", in relation to a collective investment scheme, has the meaning giving in section 67(7) above;'.

No. 268, in page 128, line 6, at end insert—

'(4) In this Act, except in relation to a unit trust scheme or a registered friendly society, "manager" means an employee who—

(a) under the immediate authority of his employer is responsible, either alone or jointly with one or more other persons, for the conduct of his employer's business; or

(b) under the immediate authority of his employer or of a person who is a manager by virtue of paragraph *(a)* above exercises managerial functions or is responsible for maintaining accounts or other records of his employer;

and, where the employer is not an individual, references in this subsection to the authority of the employer are references to the authority, in the case of a body corporate, of the directors, in the case of a partnership, of the partners and, in the case of an unincorporated association, of its officers or the members of its governing body.'.—*[Mr. Howard.]*

Clause 165

NORTHERN IRELAND

Amendment made: No. 269, in page 128, line 39, leave out from 'and' to end of line 40 and insert

'any fees received under this Act by the Registrar of Friendly Societies for Northern Ireland shall be paid into the Consolidated Fund of Northern Ireland.'.—*[Mr. Howard.]*

Clause 166

COMMENCEMENT AND TRANSITIONAL PROVISIONS

Amendment made: No. 270, in page 129, line 3, at end insert

'(2) Subsection (1) above does not apply to section *(Offers of short-dated debentures)* which shall come into force when this Act is passed.'.

Schedule 11

TRANSITIONAL PROVISIONS

Amendment made: No. 271, in page 172, line 11, at end insert—

'Recognised collective investment schemes

6A.—(1) If at any time before the coming into force of section 78 of this Act it appears to the Secretary of State that the law of a member State other than the United Kingdom confers rights on the managers and trustees of authorised unit trust schemes entitling them to carry on in that State on terms equivalent to those of that section—

(a) investment business which consists in operating or acting as trustee in relation to such schemes; and

(b) any investment business which is carried on by them in connection with or for the purposes of such schemes,

he may by order direct that schemes constituted in that State which satisfy such requirements as are specified in the order shall be recognised schemes for the purposes of this Act.

(2) Subsections (2) to (9) of section 78 of this Act shall have effect in relation to any scheme recognised by virtue of this paragraph; and the references in sections 23 and 163(1) of this Act to a scheme recognised under section 78, and in section 68(1) of this Act to a scheme recognised under Chapter VII of Part I of this Act, shall include references to any scheme recognised by virtue of this paragraph.

(3) In section 78(3)*(a)* as applied by sub-paragraph (2) above the reference to the rights conferred by any relevant Community instrument shall be construed as a reference to the rights conferred by virtue of an order made under this paragraph'.—*[Mr. Howard.]*

Schedule 12

CONSEQUENTIAL AMENDMENTS

Amendment made: No. 272, in page 173, line 3, leave out 'E' and insert 'F'.—*[Mr. Howard.]*

New Schedule

RESTRICTION OF REHABILITATION OF OFFENDERS ACT 1974

PART I

EXEMPTED PROCEEDINGS

1. Any proceedings with respect to a decision or proposed decision of the Secretary of State or a designated agency—

(a) refusing, withdrawing or suspending an authorisation;

(b) refusing an application under section 27(4) of this Act;

(c) giving a direction under section 54 of this Act or refusing an application for consent or for the variation of a consent under that section;

(d) exercising a power under Chapter VI of Part I of this Act or refusing an application for the rescission or variation of a prohibition or requirement imposed under that Chapter;

(e) refusing to make or revoking an order declaring a collective investment scheme to be an authorised unit trust scheme or a recognised scheme.

2. Any procedings with respect to a decision or proposed decision of a recognised self-regulating organisation or recognised professional body—

(a) refusing or suspending a person's membership of the organisation or body;

(b) expelling a member of the organisation or body;

(c) exercising a power of the organisation for purposes corresponding to those of Chapter VI of Part I of this Act.

3. Any proceedings with respect to a decision or proposed decision of the competent authority under Part IV of this Act refusing an application for listing or to discontinue or suspend the listing of any securities.

4. Any proceedings with respect to a decision or a proposed decision of the Chief Registrar of friendly societies, the Registrar of Friendly Societies for Northern Ireland or a transferee body, exercising a power exercisable by virtue of paragraph 12 of Schedule 9 to this Act or refusing an application for the rescission or variation of a prohibition or requirement imposed in the exercise of such a power.

5. Any proceedings with respect to a decision or a proposed decision of a recognised self-regulating organisation for friendly societies—

(a) refusing or suspending a society's membership of the organisation;

(b) expelling a member of the organisation;

(c) exercising a power of the organisation for the purposes corresponding to those for which powers are exercisable by the Registrar by virtue of paragraph 12 of Schedule 9 to this Act.

PART II

EXEMPTED QUESTIONS

Person putting question	*Individual to whom question relates*
1. The Secretary of State or a designated agency.	*(a)* An authorised person. *(b)* An applicant for authorisation under section 25 of this Act. *(c)* A person whose authorisation is suspended. *(d)* The operator or trustee of a recognised scheme or a collective investment scheme in respect of which a notice has been given by the operator under section 79(3) or an application made under section 80 of this Act. *(e)* An individual who is an associate of a person (whether or not an individual) described in paragraph *(a)*, *(b)*, *(c)* or *(d)* above.
2. A recognised self-regulating organisation or recognised professional body.	*(a)* A member of the organisation or body. *(b)* An applicant for membership of the organisation or body. *(c)* A person whose membership of the organisation or body is suspended. *(d)* An individual who is an associate of a person (whether or not an individual) described in paragraph *(a)*, *(b)* or *(c)* above.
3. A person (whether or not an individual) described in paragraph 1*(a)*, *(b)*, *(c)* or *(d)* or paragraph 2*(b)* or *(c)* above.	An individual who is or is seeking to become an associate of the person in column 1.
4. The competent authority or any other person.	An individual from or in respect of whom information is sought in connection with an application for listing under Part IV of this Act.
5. The competent authority.	An individual who is or is seeking to become an associate of the issuer of securities listed under Part IV of this Act and from or in respect of whom information is sought which the issuer of the securities is required to furnish under listing rules.
6. The Chief Registrar of friendly societies, the Registrar of Friendly Societies for Northern Ireland or a transferee body.	An individual who is an associate of a society which is authorised under section 22 of this Act.
7. A recognised self-regulating organisation for friendly societies.	An individual who is an associate of a member or an applicant for membership of the organisation or of a society whose membership of the organisation is suspended.

PART III

EXEMPTED ACTIONS

Person taking action	*Exempted action*
1. The Secretary of State, a designated agency, a recognised self-regulating organisation, a recognised professional body or the competent authority.	Any such decision or proposed decision as is mentioned in Part I of this Schedule.
2. A person (whether or not an individual) described in paragraph 1*(a)*, *(b)*, *(c)* or *(d)* or paragraph 2*(b)* or *(c)* of Part II of this Schedule.	Dismissing or excluding an individual from being or becoming an associate of the person in column 1.
3. The issuer of securities listed or subject to an application for listing under Part IV of this Act.	Dismissing or excluding an individual from being or becoming an associate of the issuer.
4. The Chief Registrar of friendly societies, the Registrar of Friendly Societies for Northern Ireland, a transferee body or a recognised self-regulating organisation for friendly societies.	Any such decision or proposed decision as is mentioned in Part I of this Schedule.

PART IV

SUPPLEMENTAL

1. In Part I of this Schedule "proceedings" includes any proceedings within the meaning of section 4 of the Rehabilitation of Offenders Act 1974.

2. In Parts II and III of this Schedule

(a) references to an applicant for authorisation or membership are references to an applicant who has not yet been informed of the decision on his application;

(b) references to an application for listing under Part IV of this Act are references to an application the decision on which has not yet been communicated to the applicant and which is not taken by virtue of section 120(6) of this Act to have been refused.

3. Paragraph 1*(d)* of Part II of this Schedule and so much of paragraph 1*(e)* as relates to it

(a) apply only if the question is put to elicit information for the purpose of determining whether the operator or trustee is a fit and proper person to act as operator or trustee of the scheme in question;

(b) apply in the case of a scheme in respect of which a notice has been given under subsection (3) of section 79 only until the end of the period within which the operator may receive a notification from the Secretary of State under that subsection or, if earlier, the receipt by him of such a notification;

(c) apply in the case of a scheme in respect of which an application has been made under section 80 only until the applicant has been informed of the decision of the application.'.—*[Mr. Channon.]*

Brought up, read the First and Second time, and added to the Bill.

New Schedule

'DISCLOSURE OF INFORMATION

1. In section 133(2)*(a)* of the Fair Trading Act 1973 after the words "the Telecommunications Act 1984" there shall be inserted the words "or Chapter XII of Part I of the Financial Services Act 1986".

2. In section 41(1)*(a)* of the Restrictive Trade Practices Act 1976 after the words "the Telecommunications Act 1984" there shall be inserted the words "or Chapter XII of the Financial Services Act 1986".

3. At the end of section 19(3) of the Competition Act 1980 there shall be inserted—

"*(h)* Chapter XII of Part I of the Financial Services Act 1986".

4. For subsections (1) and (2) of section 47A of the Insurance Companies Act 1982 there shall be substituted—

"(1) Subject to the following provisions of this section, no information relating to the business or other affairs of any person which has been obtained under section 44(2) to (4) above shall be disclosed without the consent of the person from whom the information was obtained and, if different, the person to whom it relates.

(2) Subsection (1) above shall not preclude the disclosure of information to any person who is a competent authority for the purposes of section 449 of the Companies Act 1985.

(2A) Subsection (1) above shall not preclude the disclosure of information as mentioned in any of the paragraphs except *(k)* of subsection (1) of section 149 of the Financial Services Act 1986 or in subsection (3) of (4) of that section or as mentioned in section 449(1) of the Companies Act 1985.

(2B) Subsection (1) above shall not preclude the disclosure of any such information as is mentioned in section 149(5) of the Financial Services Act 1986 by any person who by virtue of that section is not precluded by section 148 of that Act from disclosing it."

5. After subsection (1) of section 437 of the Companies Act 1985 there shall be inserted—

"(1A) Any persons who have been appointed under section 431 or 432 may at any time and, if the Secretary of State directs them to do so, shall inform him of any matters coming to their knowledge of their investigations;"

and subsection (2) of section 433 of that Act shall be omitted.

6. In section 446 of that Act—

(a) in subsection (3) for the word "436" there shall be substituted the word "437"; and

(b) subsection 5 shall be omitted.

7.—(1) In subsection (1) of section 449 of that Act—

(a) for paragraphs *(a)* and *(b)* there shall be substituted—

"*(a)* with a view to the institution of or otherwise for the purposes of criminal proceedings;",

(b) for paragraph *(d)* there shall be substituted—

"*(d)* for the purpose of enabling or assisting the Secretary of State to exercise any of his functions under this Act, the Insider Dealing Act, the Prevention of Fraud (Investments) Act 1958, the Insurance Companies Act 1982, the Insolvency Act 1985 or the Financial Services Act 1986,

(dd) for the purposes of enabling or assisting the Department of Economic Development for Northern Ireland to exercise any powers conferred on it by the enactments relating to companies or insolvency or for the purpose of enabling or assisting any inspector appointed by it under the enactments relating to companies to discharge his functions",

(c) after paragraph *(e)* there shall be inserted—

"*(f)* for the purpose of enabling or assisting the Bank of England to discharge its functions under the Banking Act 1979 or any other functions,

(g) for the purpose of enabling or assisting the Deposit Protection Board to discharge its functions under that Act,

(h) for any purpose mentioned in section 149(1) *(b)*, *(e)* *(h)* *(l)* or *(m)* of the Financial Services Act 1986,

(i) for the purpose of enabling or assisting the Industrial Assurance Commissioner or the Industrial Assurance Commissioner for Northern Ireland to discharge his functions under the enactments relating to industrial assurance,

(j) for the purpose of enabling or assisting the Insurance Brokers Registration Council to discharge its functions under the Insurance Brokers (Registration) Act 1977,

(k) for the purpose of enabling or assisting an official receiver to discharge his functions under the enactments relating to insolvency or for the purpose of enabling or assisting a body which is for the time being a recognised professional body for the purposes of section 3 of the Insolvency Act 1985 to discharge its functions as such,

(l) with a view to the institution of, or otherwise for the purposes of, any disciplinary proceedings relating to the exercise by a solicitor, auditor, accountant, valuer or actuary of his professional duties,

(m) for the purpose of enabling or assisting an authority in a country or territory outside the United Kingdom to exercise corresponding supervisory functions.".

2. After subsection (1) of that section there shall be inserted—

"(1A) In subsection (1) above 'corresponding supervisory functions' means functions corresponding to those of the Secretary of State or the competent authority under the Financial Services Act 1986 or to those of the Secretary of State under the Insurance Companies Act 1982 or to those of the Bank of England under the Banking Act 1979 or any other functions in connection with the rules of law corresponding to the provisions of the Insider Dealing Act or Part VII of the Financial Services Act 1986.

(1B) Subject to subsection (1C), subsection (1) shall not preclude publication or disclosure for the purpose of enabling or assisting any public or other authority for the time being designated for the purposes of this section by the Secretary of State by an order in a statutory instrument to discharge any functions which are specified in the order.

(1C) An order under subsection (1B) designating an authority for the purpose of that subsection may—

(a) impose conditions subject to which the publication or disclosure of any information or document is permitted by the subsection, and

(b) otherwise restrict the circumstances in which that subsection permits publication or disclosure.

(1D) Subsection (1) shall not preclude the publication or disclosure of any such information as is mentioned in section 149(5) of the Financial Services Act 1986 by any person who by virtue of that section is not precluded by section 148 of that Act from disclosing it."

(3) For subsection (3) of that section (competent authorities) there shall be substituted—

"(3) For the purposes of this section each of the following is a competent authority—

(a) the Secretary of State,

(b) the Department of Economic Development for Northern Ireland and any officer of that Department,

(c) an inspector appointed under this Part by the Secretary of State,

(d) the Treasury and any officer of the Treasury,

(e) the bank of England and any officer or servant of the Bank,

(f) the Lord Advocate,

(g) the director of Public Prosecutions, and the Director of Public Prosecutions for Northern Ireland,

(h) any designated agency or transferee body within the meaning of the Financial Services Act 1986 and any officer or servant of such an agency or body,

(i) any person appointed or authorised to exercise any powers under section 81, 93 or 147 of the Financial Services Act 1986 and any officer or servant of such a person,

(j) the Chief Registrar of Friendly Societies and the Registrar of Friendly Societies for Northern Ireland and any officer or servant of either of them,

(*k*) the Industrial Assurance Commissioner and the Industrial Assurance Commissioner for Northern Ireland and any officer of either of them,

(*l*) any constable,

(*m*) any procurator fiscal.

(4) A statutory instrument containing an order under subsection (1B) is subject to annulment in pursuance of a resolution of either House of Parliament.".

8. After section 451 of that Act there shall be inserted

"*Disclosure of information by Secretary of State.*

451A. The Secretary of State may, if he thinks fit, disclose any information obtained under this Part of this Act

(*a*) to any person who is a competent authority for the purposes of section 449, or

(*b*) in any circumstances in which or for any purpose for which that section does not preclude the disclosure of the information to which it applies.".—*[Mr. Channon.]*

Brought up, read the First and Second time, and added to the Bill.

Schedule 13

Repeals and Revocations

Amendments made: No. 275, in page 175, line 30, at end insert

	'Section 433(2)
	Section 446(5).'

No. 276, in page 175, line 41, column 3, at beginning insert

	'Section 7.'

No. 277, in page 175, line 46, at end insert

1986 c.	The Financial Services Act 1986	Section (*Offers of short-dated debentures*).

[Mr. Howard.]

Title

Amendment made: No. 278, in page 1, line 6, after 'dealing', insert

'to make provision as to the disclosure of information obtained under enactments relating to fair trading, companies and insurance'.—*[Mr. Howard.]*

10.11 pm

Mr. Howard: I beg to move, That the Bill be now read the Third time.

The House will understand why I am moving the Third Reading and not the Secretary of State for Trade and Industry as planned. I know that my right hon. Friend and his family have the deepest sympathy of the House in their tragic loss.

The Bill is a most important measure. The foundations of the Bill were laid in the White Paper on Financial Services in the United Kingdom published in January 1985. I should like to pay the warmest tributes to my right hon. Friend the Chancellor of the Duchy of Lancaster and my hon. Friend the Member for Edinburgh, Central (Mr. Fletcher) for their work on the White Paper, which was the precursor of the Bill. I also thank my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) for his work.

The importance of the Bill reflects the importance to the British economy of the financial services sector. In many of the financial services the City of London is the international market leader — for example, in international banking where London handles a quarter of the world total of bank lending, in the Eurobond market, and in insurance.

The maintenance of a strong British invisibles sector is an objective of considerable importance to the British Government. But more than in almost any other industry the maintenance of London's position rests upon its reputation for integrity and fair dealing. That is why the Government attach the highest priority to the rooting out of financial malpractice. By establishing a new practitioner-based regulatory system within a statutory framework, the Bill will play a major part in stamping out unfair and dishonest practice.

We have been concerned to create a tough and effective regime which will provide investors with a high level of protection, whilst at the same time avoiding a right bureaucratic structure incapable of adapting with the market. Our system of regulation has to be both effective and flexible. The balance is a fine one. We are convinced that in this Bill we have got it right.

Throughout we have always made it clear that our own views were not rigid and immovable. We have invited and welcomed comments and suggestions. I am most grateful to all those outside and inside the House — especially members of the Standing Committee — for the time and effort they have devoted to helping us get the legislation right. In Committee, we had many long debates. There were moments of humour and drama, and there was the odd defeat here and there. Undoubtedly, the Bill is better for the Committee's consideration.

We have accepted the proposal to give a special recognition in the Bill to the Securities and Investments Board, which hopes to become the designated agency. We have agreed to strengthen the powers of the designated agency over the recognised self-regulating organisations and to transfer more of the Secretary of State's powers to the designated agency. We have deliberately not created a statutory commission but have preserved the vital flexibility of the system. We have strengthened the effective enforcement of the provisions of the Bill by granting immunity to recognised self-regulating organisations. On other points, we are still consulting.

We are now ready to send to the other place a Bill setting out clearly the basic intitutional shape and the powers of our proposed new regulatory structure, with the weight of this House behind it. I commend the Bill to the House.

10.14 pm

Mr. Ashdown: The Government foresaw, as early as 1981, the need for comprehensive legislation to protect the investors when it asked Professor Gower to report. It is not surprising that with all that planning, in June 1986, the Government still propose major amendments to the Bill, making it extremely difficult to form a balanced judgment as to whether or not the Bill is adequate. Doubtless, we shall be told that it is all part of flexibility and open-mindedness. Frankly, it looks to me much more like muddleheadedness, confusion and retreat in the face of the vested interested groups which must not be offended prior to passing the plate round to replenish the Conservative coffers.

On Second Reading, I welcomed the fact that the Government had brought forward a Bill to reform the City of London but said that it was not possible to welcome the Bill, as it was then constituted, as an istrument of that intention. Since then, we have fought for a balance, which must be struck, between the need to protect investors and the avoidance of regulations that are too onerous and

[Mr. Ashdown]

would only force users of the City of London to go elsewhere, thus causing loss of a great source of wealth for this country.

The Standing Committee, of which I was privileged to be a member, worked constructively. I pay tribute to the way in which the Minister and his staff took care to inform us all with the various briefing notes, which were invaluable.

I do not complain about the basic structure which has been proposed. There is flexibility in the arrangement. Had we legislated for similar flexibility when the Lloyd's Bill was before us, much trouble could have been prevented. There is nothing wrong with the SROs and professional bodies supervising the day-to-day activities of authorised or other persons overseen by the Securities and Investments Board. I am not happy, however, with the fact that the SIB will account for its stewardship in an annual report which, as things stand, we shall have no right to debate, certainly in the early years.

My doubts and worries really start when we look at the flesh that covers this structure. Regulation will be by rules laid down by the SIB. The Bill contains certain guidelines for these rules, but such guidelines can mean all things to all men. When we tried in Committee to obtain commitments on specific matters, we were told that that was not for primary legislation but was for the rules. Therefore, we shall have no say on the content of the rules, that being solely a matter for the Secretary of State or the SIB.

At this stage it is difficult to discover what the rules will be, for those that are available appear to be at best in draft, at second best in a consultative stage, and at worst not yet thought of. What I have seen in respect of competence tests, disclosure by insurance companies of commissions and surrender values, and cold calling fills me with a degree of apprehension, because they seem to lean over backwards time and again in favour of the practitioner. That is not good enough as far as I am concerned; nor will it be good enough, for instance, for the hon. Member for Chichester (Mr. Nelson), who delivered a clear exposition on this matter on Second Reading. He stated:

"The principle function of both the designated agency and the SROs should not be to provide an easy working machine which is not subjected to criticism. Their principle objective is to protect investors.—[*Official Report*, 14 January 1986; Vol. 89, c. 991.]

I could not agree more. But what guarantee is there that the Secretary of State will take that attitude when he examines the rules? Even if he did, what enforcement powers are there? It is one thing to have rules; it is another to apply them; and it is yet another to ensure their proper application and enforcement. Although I am happy that the SIB now has the power to insist on rules for the SROs, I very much regret that the Secretary of State has not seen fit to give it direct powers of enforcement. Apparently, he is happy for the SIB to rely on an application to the courts—probably a slow and ponderous procedure at best—or to invoke the nuclear deterrent of a revocation of recognition.

It is with equal regret that I note, despite a useful debate on clause 20 in Committee, that the Secretary of State has now decided not to give the SIB "intermediate powers" over recognised professional bodies. The quality of the work that the SIB will do, even inside what I regard to be its too limited powers, will in large part depend on the quality and type of persons appointed to it and the quality of the information available to them.

I make two complaints on that score. First, I am extremely unhappy that the Governor of the Bank of England has a veto. It is unnecessary, and it turns out to be present for political purposes.

Mr. Nelson *indicated assent.*

Mr. Ashdown: I am glad to have the hon. Gentleman's agreement. He made an effective contribution in Standing Committee on that point.

My second complaint concerns user and independent representations on the SIB. In debating schedule 5 we managed — in a process that must be something like drawing a tooth from an elephant — to get the Minister to say that he expected a "significant proportion" of the board members to be independent people. "Significant" and "independent" are words capable of wide interpretation. I shall not be satisfied that my view is the same as the Government's until I have seen what is meant, and I probably shall not do that until after the Bill is enacted. I will not regard two or three names plucked from the list of the retired or the great and the good as meeting that requirement. Much the same comments could be made about the user content of the SROs.

Even if I am dissatisfied with the way in which members are appointed to the SIB and with the information available to them, I appreciate that the board's activities have to be paid for. I can see the force in the argument that if the board might be paid from state funds, it does have, in one sense, greater independence from those it is regulating. I am even more persuaded by the argument that if it is paid for by the City it avoids the clammy hand, or perhaps under this Government I should say dry hand, of the Treasury from falling on its activities. However, there must be a safeguard, and that safeguard should ensure that the city cannot limit funds to reduce the regulator's effectiveness. It was for that reason that I wanted the Secretary of State to have the reserve power to prescribe fees if he thought that insufficient resources had been made available for regulation. That power was denied.

I shall touch briefly on three other points of concern. I shall deal with them briefly not because they lack importance, far from it, but because time is limited and the measure we are considering is very substantial. I cannot be entirely happy with the scope of the immunity granted to SROs, in particular immunity from damage claimed by investors themselves. That seems to significantly diminish the safeguards to investors. I believe that going further than the clear consensus of the Committee, which crossed all parties, in favour of immunity for the regulators but not going so far as immunity for investors, will be a decision which will return to haunt the Minister in years to come when there will be some problems. This Government will be blamed, rightly or wrongly, for taking a decision which went against the consensus, spanning all parties, which they could have enjoyed in response to pressure from the larger vested interest groups. Whether that is correct or not is irrelevant. That will be the charge levelled.

I think that there are serious omissions from the Bill in respect of activities covered. I would have liked to have seen real property—by that I mean office blocks, shops,

factories and agricultural land covered in schedule 1, because such assets are held extensively by pension funds and, therefore, appear indirectly in the savings of millions.

In its present form the Bill will not cope with the growing complexities of the financial services industry, or especially with the big bang, which is round the corner. I shall make a prediction to the Minister. The Bill will have to be changed in order to strengthen it and that will cause a period of instability in the City precisely when the Government wish to cause a period of stability. That will happen in due course. Whether that will happen sooner or later I do not know, but happen it will. If change is to be left in the hands of some, it may well end, as the hon. Member for Dagenham (Mr. Gould) has predicted, as a state organisation. It may be that if we get into that position it will be so difficult to unravel and resolve that that might be the only way left open to us.

In that sense, I believe that the Bill, as it is currently presented, represents a missed opportunity. The crux of the Bill has always been, and has been properly identified by all as being the balance to be struck between maintaining the efficiency and flexibility necessary for the practitioners and the safeguards necessary for investors to ensure probity. The Bill, in its final form, comes down, as I suppose we might always have suspected with a Conservative Government, far too much on the side of the City and far too little on the side of the small investor.

10.24 pm

Mr. Gould: We welcomed the introduction of this Bill, we recognised the need for it and we agreed with the principle and broad structure of it. In particular, we thought that it was right to strike a balance between statutory regulations and a statutory framework and a substantial element of self-regulation. That was our starting point. I think that it is fair to say that, as we proceeded with the Bill, especially in Committee, we made substantial improvements to it.

The Minister was generous in his recognition of the work of the Committee, sometimes against opposition from Conservative Members or, at least, his civil servants. The Committee managed to make major improvements to the working of the Bill. It is fair to pay tribute to Conservative Members, as well as to my hon. Friends and the hon. Member for Yeovil (Mr. Ashdown) for managing to construct the sort of all-party consensus which was our objective from the outset and which produced an unusually constructive approach to the matter.

It is a matter for regret that, having agreed in principle with the Bill at the outset and having played our part in making the Bill a better measure, we continue to regard the Bill as a missed opportunity. It is defective, not only in the myriad small ways which the hon. Member for Yeovil enumerated, but in major matters. It does not cover the ground that it should cover. The exclusion of Lloyd's is a blot on the Bill and the Government. The failure to put in place a proper independent statutory commission will be regretted by the Government and is already being regretted by the City. Because we believe that those failings are important, we shall return to them when we return to Government and we shall vote against Third Reading tonight.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 142, Noes 24.

Division No. 223] **[10.28 pm**

AYES

Amess, David
Ancram, Michael
Ashby, David
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Bellingham, Henry
Benyon, William
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Browne, John
Bruinvels, Peter
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Crouch, David
Currie, Mrs Edwina
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Evennett, David
Fallon, Michael
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gorst, John
Greenway, Harry
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Gummer, Rt Hon John S
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, Sir Paul *(N'folk SW)*
Hayward, Robert
Hickmet, Richard
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Hunt, David *(Wirral W)*
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Robert *(Herts W)*
Key, Robert
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Lawler, Geoffrey
Lennox-Boyd, Hon Mark
Lester, Jim
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
McCrindle, Robert
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, M. *(N'bury)*
Malone, Gerald
Mather, Carol
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mitchell, David *(Hants NW)*
Nelson, Anthony
Newton, Tony
Ottaway, Richard
Page, Sir John *(Harrow W)*
Parkinson, Rt Hon Cecil
Percival, Rt Hon Sir Ian
Powell, William *(Corby)*
Proctor, K. Harvey
Rhodes James, Robert
Roe, Mrs Marion
Rowe, Andrew
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Sims, Roger
Smith, Tim *(Beaconsfield)*
Spencer, Derek
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Ayes:
Mr. Archie Hamilton and
Mr. Francis Maude.

NOES

Ashdown, Paddy
Banks, Tony *(Newham NW)*
Bennett, A. *(Dent'n & Red'sh)*
Campbell-Savours, Dale

Cocks, Rt Hon M. *(Bristol S)*
Cook, Robin F. *(Livingston)*
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Field, Frank *(Birkenhead)*
Gould, Bryan
Hogg, N. *(C'nauld & Kilsyth)*
Hoyle, Douglas
Hughes, Simon *(Southwark)*
McDonald, Dr Oonagh
McWilliam, John
Millan, Rt Hon Bruce
Nellist, David
Orme, Rt Hon Stanley
Pike, Peter
Raynsford, Nick
Sheerman, Barry
Shields, Mrs Elizabeth
Smith, Rt Hon J. *(M'ds E)*
Wallace, James

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Allen McKay.

Question accordingly agreed to.
Bill accordingly read the Third time, and passed.

Patronage (Benefices)

Queen's Consent, on behalf of the Crown, having been signified.

10.36 pm

Sir William van Straubenzee (Wokingham): I beg to move,

That the Patronage (Benefices) Measure, passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.

I must first declare a personal interest, in that I am the patron of a living. The House well knows that such matters can no longer be passed for any financial consideration — quite rightly — and have not been for many years, so I have no financial interest to declare. Nevertheless, I wish the House to be aware of my personal interest.

At this hour, I think that the House would like me to explain the Measure, but not at inordinate length. The Measure is very different from that which originally saw the light of day some years ago and which, as some of us here recall, excited considerable opposition and anxiety. It sought, in whole or in part, to abolish patronage.

I think that it was wise for there to be a period of consultation and reconsideration. What is now before us is a very different Measure. It retains the right of patronage, although it makes what I believe are several improvements in the law which I shall describe briefly.

The House has the advantage in these matters of the report of the Ecclesiastical Committee, the legislative Committee of the General Synod and, in recent years, the verbatim report of the proceedings before the Ecclesiastical Committee which, painstakingly, as with other measures, studied this measure and decided to report to both Houses that it was expedient.

The measure has four purposes, the first of which is to establish certainty. I hope that this purpose was secured by expert approval. Part I, schedule 1, to the measure provides for a register and lays down careful regulations about how that register should be established. The provisions concerning the register deal with the right to appeal and other measures which, I am sure, the House would not wish me to spell out in detail.

At present there is no central register. I hope that all hon. Members would agree that it is beneficial to those in parishes, to the diocesan bishops and to patrons that there should be a conclusive register.

The second purpose of the Measure is to confirm and put in legislative form the collegiality and partnership which is now the accepted pratice, in most cases, when appointments are being considered. Over the years I have been responsible for one parish, then for a parish with another joined to it and lastly responsible for a parish with colleagues in a joint patronage. We would never have considered it possible to proceed without careful consultations with the laity of the parishes concerned. We carried out such consultation at all stages. Hon. Members will be aware of certain rights which are given to parochial church councils.

Part II of the measure provides, in legislative form, for the provision of collegiality, consultation and partnership when dealing with the appointment of the new incumbent. If some hon. Members are rather concerned at the unnecessary elaboration of those arrangements, may I say that it is possible, if there is consent on all sides, to dispose of those arrangements. It is necessary to have such

provisions in the cases—I hope they are few—when a person is disposed not to operate the provisions. It is right for the House to make sure that those rights are enshrined in law. I attach considerable importance to the third purpose of the Bill. I find it offensive that, in the 1980s, there should be only two classes of persons, Roman Catholics and Jews, who are specifically identified as persons who may not exercise right of presentation. We all understand the historical reasons for this, but I do not think it accords with the attitudes of the 20th century. I shall be happy to see that go. In precisely the same way as I as an Anglican would not expect to play an effective and active role in the appointment to some position of importance in another church, it is not unreasonable that the person concerned, who will exercise his right of patronage, shall be able to say that he is a communicant member, as defined, of the Church of England.

I make it clear that the person concerned does not lose the right of patronage. It is the question of the presentation at the time in question, so if it were, for example, in a family—this is real to me in my family—it would at a later stage, or as the case might be. I hope that the House will feel that it accords far more with the general approach and attitudes of the present day that this narrow discrimination should be eliminated. Nevertheless, there should be a requirement for the person exercising the right of presentation to be a communicant member of the church to which he or she is appointing somebody of great importance to the active congregation concerned.

Sir John Page (Harrow, West): Having served with my hon. Friend on the Ecclesiastical Committee, I should know what he means by the term "presentation". But will he explain it?

Sir William van Straubenzee: I was seeking to distinguish, but doubtless very inadequately, between the fact that a patron remains a patron, whether or not there is a vacancy, and that a person who is not a communicant member of the Church of England remains a patron regardless of that fact. If there comes a vacancy and either he or she has to exercise that right, that is the moment at which they have to say that they are a communicant member of the Church. Do I properly explain that?

Mr. Peter Bruinvels (Leicester, East): In those circumstances, does the bishop have more power or less in the right to a presentation where the patron is not a communicant member of the Church of England, so that the bishop would be the one to nominate the incumbant?

Sir William van Straubenzee: No, Sir, I think not. The position of the bishop is the same in both circumstances, so he has neither more nor less power. A right is invested in the patron who is not a communicant member to nominate one who is. That nomination is a matter for the patron concerned, and has nothing to do with the bishop. I hope that my hon. Friend feels that that is a satisfactory answer. I am glad to see that my hon. Friend is nodding his assent.

It is inevitable that when we start on an operation such as this there will be considerable number of anomalies in the law that need bringing up to date. I can illustrate this. It is because it is correctly no longer possible, nor has it been by a decision of Parliament made many years ago, for an advowson to be bought or sold, so equally it is no longer appropriate for certain rights to be associated with property that can be bought and sold, and to which is attached an advowson, because the advowson no longer has any financial importance, nor would the House feel that it should. Such matters are dealt with in the fourth purpose of the measure.

I feel sure that the House appreciates that the Ecclesiastical Committee, to my certain knowledge because I am a member of it, looked at this matter most exhaustively and carefully and decided to report to Parliament that the Measure is expedient. I have the figures but I will not bore the House by reciting them. It was overwhelmingly approved. I see that the voting figures record only four House of Clergy against, and no voting against in the House of Bishops or the House of Laity by the General Synod.

I hope that the House will feel that I have trodden a middle course between treating the House merely as a rubber stamp—which I would never do, because it certainly is not a rubber stamp for Church legislation and I hope never will be—and taking too long. I commend the Measure to the House.

10.51 pm

Mr. J. Enoch Powell (South Down): Firstly, may I dispose of a procedural point which is also in a sense a constitutional point, that was first established some two years ago, I think, in connection with the Appointment of Bishops Measure. It is that we were privileged to have with us for a short time at the commencement of the debate the chairman of the Conservative party. He was in dinner dress in order to signify the Queen's consent to our entering upon these proceedings. It is, of course, upon the advice of the Government that the Queen's consent is given and that was intimated by the distinguished source from which the message was conveyed to us this evening.

I place on record again as was done emphatically two years ago, the fact that no Government approval of the Measure, no espousal of the Measure by the Government, is implied in their providing the assistance to the House of the Queen's consent to our entering upon the matter. It is merely the means by which the Government facilitate the consideration by the House of Measures that come to it from the General Synod. There is no party issue or Government interest, and I assume that the Government would certainly not intend in any way to use their influence for or against such a Measure. In this context, the Government, as the Government, are very properly neutral.

One major matter arises from this measure and it was dealt with faithfully by the hon. Member for Wokingham (Sir W. van Straubenzee). It is the change in the religious qualifications for the excercise of the function of patronage. Hitherto, that exercise has been forbidden exclusively to Roman Catholics and to Jews. I see no reason why either a Roman Catholic or a Jew could not exercise the lay functions of a lay patron in the filling of a living with as much consideration and as much wisdom and propriety as anyone else. I agree entirely with the hon. Member for Wokingham that this was an invidious limitation and it was high time that it was removed. The Synod has not proceeded by way of removing that limitation. It has not proceeded to enfranchise in the matter Jews and Roman Catholics. On the contrary, it has disfranchised everbody except Anglicans who have taken communion according to the rites of the Church of England or the rites of a church in communion with the

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Church of England within the preceding 12 months. A religious test of that nature has been imposed upon the exercise of a function of patronage.

The Ecclesiastical Committee was clearly horrified by the possibility that an indulgence which everybody would wish to be extended to a lay patron who was a Roman Catholic or a Jew should be exercised, heaven forfend, by a Methodist or a Baptist. I stop there for a moment to invite the House to contemplate the horrific consequences of a lay patron who happened to be a Baptist actually proceeding to exercise the functions of patronage. But that was not all, because further horrors were envisaged by the Ecclesiastical Committee to the effect that it might be a Mohammedan, a Hindu or a athiest who, but for the provisions in the Measure, could exercise the functions of a patron.

There is an important issue at stake here. We are dealing with the functions of lay patrons, who may be, by the process of acquisition of the advowsons, of any religion or of none, and the Synod of the Church of England has told the House that it is its wish that that function should be limited to those who are confessionally members of the Church of England. That was candidly brought out by the hon. Member for Wokingham, who said that in exactly the same way I noted his words, because I do not agree that the way is exactly the same — he as an Anglican would not expect to exercise a function in making appointments in any other church. Indeed not, but we are dealing with the Church of England, which is the established church of this land — the church which is the possession of all who inhabit England. Therefore, the considerations that should apply to the exclusion of persons who are not Anglicans from the exercise of the rights of patronage are different from those which would apply in the private and interior arrangements of any other church or sect.

Indeed, the Bill — admittedly on a small scale — is an example of the tendency, which I fear is implicit in many of the procedures of the General Synod, to approximate the Church of England to a sect and, to that extent, to deprive it of the character of universality in the realm of England, which is one of its characteristic and beneficent marks.

It is not right to impose a confessional test upon the exercise of the right of ownership of this hereditament of the patronage or advowson. If we do that, we raise several questions. This is not the only or the most important context in which advice may be given, or steps may be taken, in relation to appointments in the Church of England by persons who are not necessarily members of the church. Will we be told that it is the view of the General Synod that all those who are responsible for acting to make appointments in the Church of England should be communicant members of the Church of England? That would be a decisive declaration that the Church of England had become a sect, and had ceased to be the national church under the headship of the Crown in Parliament.

There are wide and far-reaching implications in this apparently minor adjustment in the qualifications for the exercise of the right of patronage. That departure and its implications should be signalised on the occasion of this measure, so that we shall not be told in future — I am afraid that it is becoming a characteristic of the proceedings of the General Synod in regard to Parliament that a small encroachment is made and is then claimed as a precedent — that we have created a precedent for saying that, in other respects, appointments and steps leading to them in the Church of England may be made only by persons, and advice may be offered only by persons who are communicant members of the Church of England.

Mr. Simon Hughes (Southwark and Bermondsey): I have listened carefully to the right hon. Gentleman's remarks. Does not his arguement imply that there is a defect in the current practice of the Church of England, which when someone seeks membership requires that person to renounce membership of other Christian churches by formal statement before being admitted into the Church of England? That is inconsistent with the principle of universality or national church that he was expounding.

Mr. Powell: The hon. Gentleman has told me something of which I was unaware. I was unaware that any such act of renunciation was required of parents who bring a child for baptism, or even of those who, present themselves for the first time to receive holy communion in the Anglican church. It may or may not be that the hon. Member is well informed. I am not aware that there is such exclusivity in the nature of membership of the Church of England in such a deed of renunciation that has to be made before a person resident in England can exercise his legal right to the ministrations of the Church of England.

Mr. Frank Field (Birkenhead): Adults seeking membership to the church who belong to other parts of the church are asked to accept the 39 articles. Given what some of those articles say, it may well cover the point made by the hon. Member for Southwark and Bermondsey (Mr. Hughes).

Mr. J. Enoch Powell: I am much obliged.

11 pm

Mr. William Powell (Corby): I wish to associate myself with the central theme of the remarks made by the right hon. Member for South Down (Mr. Powell). There is not the slightest doubt in my mind that we have on all occasions to assert in the House that the Church of England is a national, not a sectional, church. We must on all occasions that we can articulate the primacy of the Crown in Parliament in the regulation of the affairs of the Church of England. The Church of England is not a sectional church. It can never be so. If it ever wishes to become so, it will simply fall apart into its own individual elements, and it will count for nothing in the country.

For myself, I find it impossible to oppose the measure. However, in saying that, I must tell my hon. Friend the Member for Wokingham (Sir W. van Straubenzee) that in my opinion it is a quite unnecessary measure. As we have been told, it has had a long period of gestation. On several occasions in its gestation, its final form has been very uncertain. It has veered one way and then another way. Fortunately, as has been pointed out, what we now have is a sensible measure. In its gestation, I think it had every prospect of being a very foolish measure but sense has prevailed.

Nevertheless, over this long period of gestation, a considerable amount of time has been taken up first in Convocation — that shows how old it is — then in Synod

and in various committees, trying to work out what would be the best method of securing a general patronage law for the Church of England. I am not aware of any evidence at present which shows that such a measure is necessary. I am not aware of any substantial abuse of existing procedures which compels changes to be made. It would have been a very good thing if Convocation and then Synod had decided to leave well alone, but they chose not to.

I assert further that in all these synodical discussions and committees involving people travelling up to London no doubt from all over the country, considerable sums of money have been spent over the years. That money would have been much better spent within the Church of England in securing a wider number of clergy and deploying that clergy in parishes throughout the country.

The fundamental of the Church of England is that it is a parochial church. All its strength lies within its parishes, and not within a synod, a committee or even within a diocese as a diocese. The particular character of the Church of England lies within the parochial ministry.

I for one — and I know that I am not alone — would wish that all the resources of the Church be devoted to parochial church life and to the preparation and training of the clergy to ensure that the clergy is available, and not to the running of the General Synod, the staffing of the General Synod, the running of its committees and so on.

Mr. Simon Hughes: We understand the issue about the cost of administering any body as large as the Church of England. However, I trust that the hon. Gentleman will accept that there is great merit in national debate, both temporal and spiritual, and for the Church to be seen to come together to pronounce on matters of importance to the nation. Since the synods back to Whitby and even further, there has been great merit in the Church coming together to seek a common mind. When it does so, as it did recently on the matter of the Sunday trading with almost total unaminity, it has a substantial effect on the affairs of this place and of the nation. Surely we should not renounce that.

Mr. Powell: I am grateful to the hon. Gentleman for that intervention. I am aware that in the Church of England there are different traditions and groups of people who attach different degrees of importance to various elements within it. I speak as the son of a clergyman. It is 50 years since he was ordained and he has spent 44 years in the same parish. He finds the idea of the national Synod simply preposterous. Not everyone takes that view, but some do — and they should not be ignored. It is not just one obscure country clergyman who takes that view, but vey many.

One danger within the Church of England is that those in the synod had come to believe that the synod is the only thing that matters. One of the very great dangers is for example, that episcopal promotion is now almost entirely granted to those who take part in the affairs of the synod——

Mr. David Crouch (Canterbury): It always was.

Mr. Powell: I see that my hon. Friend the Member for Canterbury (Mr. Crouch) is here, and it is appropriate that he should seek to intervene, albeit from a sedentary position. However, he is not correct—it has not always been the case. Many of the greatest pastors of the Church of England have played no part in the convocational synodical discussions.

The greatest danger that threatens parochial life in the Church of England is the way in which episcopal patronage is being exercised. In the days when there were far many more lay patrons, there was an opportunity for independence — for the parson's freehold to grant the independence — which meant that everything was not dependent on the one fountain, which was the bishop of the diocese, and increasingly area bishops within diocese; yet they have no authority in law to exercise the functions that they are increasingly delegated.

Some 40 per cent. of patrons are bishops, but in rural England where parishes are increasingly doubled, trebled and quadrupled — even five, six and seven parishes are put together, as has happened in east Anglia and many other parts of the country — invariably there are different patrons, and then the patronage actually comes to be exercised by the bishop of the diocese. Therefore, although in 40 per cent. the patron is actually the bishop, he is really exercising the patronage in a great many more cases.

It goes one step further. One of the major changes in the Church of Englnd in the past generation has been that the clergy no longer stay in their parishes for a measurable length of time. In any parish church in the country one can see the long incumbancies through the 18th, 19th and early 20th century — but for the post-war era, they are for only three, four or five years. There are parishes close to the parish that my father has held for nearly five decades where there have been 11 changes of incumbant during that time. Bishops are the very people who are sending a man to one parish and then moving him on, and then on again. It means that it is impossible to establish the stability in the parish that holds together the community of the Church of England, which is the very strengh of the church in the parish.

Bishops are not exercising their patronage in a way which is necessarily in the best interests of the parishes, and that concerns me more than anything else. They are entitled to make a judgment, of course, and their resources may not be as adequate as they would wish. One of the depressing features in the Church of England in the past generation has been that the quality of the men who come forward for ordination has not always been as high as in earlier times. I revert again to the case of my father, about which I have personal knowledge. He held a parish in Oxfordshire just before the second world war and he was the only clergyman in the rural deanery who was not a doctor. It is inconceivable now that there could be a rural deanery in which a dozen or more clergymen were all doctors of divinity, music or whatever. The decline in the clergy is there for all to see, and the Church of England has declined with it.

Beyond that, the feature of the measure which worries me are the circumstances in which the bishop of the diocese comes into conflict — perhaps an unspoken conflict, but a real one—with the wishes of the parish when it comes to the appointment of a new incumbent. The old battles between the lay patron and the incumbent that were taken up in Victorian novels in the time of Lady Catherine de Bourg have passed, and we find now that patronage is increasingly exercised by the bishops.

In the parish in which I live new incumbents have been twice appointed in the past decade by the bishop of the

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diocese, and on each occasion contrary to the wishes of the parochial church council. I have not the slightest doubt that on each occasion the bishop of the diocese had good reason for wanting to make the appointment, but on each occasion his wishes clashed with those of the parochial church council.

What are we left with when that happens in rural England? The parish is told, "If you do not have this man, it is likely that your parish will be joined with another and the prospective clergyman will live in a vicarage or rectory some three, four or five miles away and not in the vicarage or rectory of the community." When that happens, the people feel that they are under an obligation to take what is on offer.

Mr. Harry Greenway (Ealing, North): I have some sympathy with what my hon. Friend is saying, but is it not fair to say that under the measure the lay representatives of the parochial church council will be involved in the selection of the new incumbent and will have a veto over the appointment? Does the measure not say that? It does not set out how the representatives will be chosen, whether they will be mandated and how they will operate, and I think it should, but I think it says that the representations of the parochial church council will have an involvement.

Mr. Powell: My hon. Friend is right, but beyond that there is something more subtle. Let us suppose that they exercise their veto and the bishop of the diocese says, "There is nobody else who I can offer you"? There may then be another prolonged vacancy. If there is a prolonged vacancy, especially in a small parish, it is likely that the congregation will begin to fall apart. Members of the congregation will drift off to other churches. Long vacancies are bad, especially in small parishes, and they must be avoided. If the issue is pushed to the point of veto, there is a danger that the parish will end up with nothing. That is what worries many parishes as they face ever changing circumstances with new clergymen being appointed to them.

I was brought up to believe in the principle that if it is not necessary to change, there should be no change. I must tell my hon. Friend the Member for Wokingham that in this instance I cannot find the evidence upon which we should make changes. Accordingly, I think that it would be better to leave things as they are. Having said that, I think that with the important constitutional provisos which the right hon. Member for South Down has articulated and which I fully support, it would not be right to oppose the measure.

11.15 pm

Mr. Frank Field (Birkenhead): Many hon. Members will be in considerable sympathy with the views expressed by the hon. Member for Corby (Mr. William Powell). However, I had difficulty trying to relate what he said to the measure before us. He made some good points, but others were really a cry to understand how the Church of England has declined in they way it has. I fear that it will take more than an hour and a half of parliamentary time to reverse that decline.

Before the debate bagan, I would have put all the money I have on it being an uncontroversial debate. That may be a sign of my frail judgment, or it may be a sign of how interesting this place is – that debates can take off and get a momentum of their own.

I have put aside what I wanted to say. Instead, I shall address myself to the main point made by the right hon. Member for South Down (Mr. Powell). He knows – other hon. Members may not – that on the issue of whether the Church of England should remain a national church, he and I stand shoulder to shoulder. I am destressed at the tendency of the Church to move itself to a sect and to have that cosiness that comes with it.

There is a point of difference between the right hon. Gentleman and I this evening, because I support the Measure. I maintain, as the right hon. Gentleman does, that the Church is a national church and has a mission to the whole nation. Regarding the internal runnings of the Church, we must take on board the difference between the present position and that which existed 100 or 200 years ago. At that time, it was acceptable for a national church to allow other people, apart from the two categories outlined by the Second Church Estates Commissioner, to appoint clergy to livings in the Church of England, when few people in other parts of the Church held that privilege.

Today, it is possible to argue that we should have the exclusive right to appoint people to livings in the Church of England – in other words, practising communicants of that part of the Church – and at the same time maintain that we have a mission to the nation and oppose the Synod when it, as it often does, goes down the path of trying to move the Church to the status of a sect.

The hon. Member for Corby believes that the Synod is a waste of time and resources. When the next elections for the Synod are held, it may be possible for people who hold that view to try to get elected. Then they could try to lessen the number of Synod meetings. If one looks at other parts of the Anglican communion, one sees that Synods do not have to meet three times a year. I sympathise with those who want to see, in certain circumstances stronger leadership from the bishops. I sympathise when they say that they are often bogged down in activities and with committees of the General Synod.

I accept the inconsistencies. I do not put that stronger in the line I take.

Conservative Members expressed their agreement, facially, when the point was made that we are against bishops possessing more power of appointment. As a libertarian, part of me supports that line. As a church which believes in the apostolic succession and obviously gives a certain command to the bishops in the governing of the Church, I feel that to some extent it is overshadowed by the Synod.

I put aside the points I wanted to make to argue with the main point put by the right hon. Member for South Down. As so often happens in these debates, the answers that one gives are not always as neat as one would wish. I recall a statement made by Aneurin Bevan in the Chamber after listening to the then Prime Minister, Neville Chamberlain. He said, that it was like a trip around Woolworth—everything was in place and nothing was priced over sixpence. In this life, it is difficult to get everything in place and have nothing priced over sixpence.

Given the circumstances in which the Church finds itself and given that the Church would be better to spend less of its time reforming its internal arrangements, I do not think that on this issue it has done a bad job. I said that I thought that this would be an uncontroversial

measure. I notice that, with some sense of timing, the Vote Office today published the women deacons Measure. I thought that I would be able to say that this Measure would be passed peacefully. I do not think that that will happen with the second Measure. Indeed, I am not sure even about this one now.

11.20 pm

Mr. Peter Bruinvels (Leicester, East): I must declare an interest as a current member of the General Synod. I greatly enjoy serving on it, and it is not surprising that I do not find it a waste of time. It might be an expensive body to run, but so far I do not think that I have charged my local diocesan synod too much, if anything. I must declare also that I have voted on this measure in the past, both on the Guildford diocesan synod and in my local Dorking deanery synod. I am also a member of the board of patrons in the diocese. That does not mean that I agree with everything in the Measure. We are talking about the established Church of England, which is the property of its people and of the Crown. It is only right that such a Measure should come before the House, because there are 11,500 benefices, 28 per cent. of which are in the hands of individual patrons.

I am concerned that the bishops seem to have more and more power. But I make no criticism of the bishops. There is much to be commended in the historical role of a patron. The village life, with the patron in his personal pew and certain responsibilities, is to be admired. Patrons have a historical right to appoint those people whom they believe to be best suited to their benefice.

Under clause 8 a registered patron must be a communicant of the Church of England. I believe that, as long as a person is not an atheist, he should have the right to act as a registered patron. I regret that a representative has to be found to stand in for him if he is not a communicant of the Church.

The restrictions imposed in the Measure are understandable, but an existing patron—I hope that my hon. Friend the Second Church Estates Commissioner will explain this to me—experiences no such restriction. It is true that many patrons have held their positions for years, but I believe that they should be allowed to continue as patrons. Many churches in Leicester villages are still in tha hands of patrons. One patron has five churches under his command.

As for the registration of patrons, any diocesan handbook lists them and their names are found also in Crockfords. The facts are there already. I cannot unerstand why it is necessary to register patrons when they are already registered. Under the Measure, a patron who cannot make the necessary declaration will not be able to exercise that important right to present. With the united benefices that now exist, his role becomes even more important.

I am especially concerned about the patron's representative. He may be a church warden, who cannot serve as one of the two lay representatives. I am afraid that the patron's representative may on many occasions, be a bishop. That seems to be taking power away from the communicants and giving more power to the bishops. We admire bishops for what they have to do but I do not want to see a magic circle, with the bishop's favoured people coming forward. Indeed, I believe that, to a large extent, the patron understands the communicants and the residents of the parish far more than the bishop. The bishop is far more concerned with issues other than local parochial matters.

The votes in the synod, before I became a member, made it clear that all members of the laity voted in favour of the Measure. The vote was 121 to nil. Only four of the 138 clergy voted against it. I would say, "They would, wouldn't they". It is interesting, having been a member of the synod for eight months, to see how certain members of the clergy perform in front of their bishops, obviously in the hope of preferment in the long run. Some are commendably independent. However, it is almost a closed shop and it seems that the people being promoted and getting new benefices tend to be those who are most supportive of the bishop. I welcome independence in the Church of England, but I am a little worried about that.

There are not enough people coming forward to the Ministry and it is important to get the right kind of people. It is a calling and in controversial questions recently it was clear that, unfortunately, some parents of prospective clergy are deterring their sons from coming forward. It is a calling but there is, of course, a financial increment involved. It is a sad fact but it is necessary because clergy must be able to survive.

The patronage Measures are getting more complex and confusing. I rather like the Trollope way of church life. There was a bit of mystery. Certain favoured people came forward, but I want to ensure that the traditionalists are brought forward for presentation. I know that this measure retains the right of patronage and I know that consultation of the laity will still exist. However, I want the laity to be independent of bishops. I want them to work with the bishops but it is the church wardens who know what is best for their parish. The church wardens, in conjunction with the patron, can decide the future of that church.

Members on both sides of the House agree that a long interregnum is a serious matter. It can damage the future of the Church and these matters have to be speedily resolved. The Average wait for a new incumbent seems to be about eight months, sometimes longer. That is too long. Therefore, we must speed up the way in which incumbants are selected.

The historical relationship is important. The role of the bishop would be purely in a consultative capacity. Sometimes the bishops do not get on with the patrons. The bishop may be new to the diocese and the patron and his family may have been their for centuries. The bishop must pay far more attention to the views of the patron.

The rights to presentation must be carefully monitored, as they must be when the church warden is given the role of presentation. The universities, the Lord Chancellor and representatives of the Crown have a number of rights as patrons. It seems that anyone can be a patron. There is nothing wrong with that; but who is really representative of the Church? Most of the patrons I know have a total interest in the church of England. However, some patrons are the exception and do not wish to get involved in the running of the Church and that is why the Measure has been brought forward. It is right that we should have the Measure for them but not as a general rule. The patron must be a believer, but he must get on well with the church wardens. He will appoint them as the parish representatives, but both of them must listen to what the paraochial church council would like.

[Mr. Peter Bruinvels]

Clause 14 gives the power to the bishops to appoint a priest to the benefice. I would much prefer to see more emphasis put on clause 15, with the patron appointing his personal choice. However, clause 15 provides for the approval of the bishop. We should consider that because we must maintain the independence of mind which some patrons have had and which has preserved the Church of England from the modern laissez-faire approach, which is more Socialist than Christian.

We must also consider the role of the archbishop. Sometimes difficulties arise, and the archbishop must review the position. I hope that the need to introduce an archbishop to resolve a disagreement never arises. Existing patrons must be allowed to continue their good work.

The measure is complex, and having heard some of my colleagues speak I am tempted to wonder why it is necessary. Indeed, has not the Church of England been getting along nicely? We should encourage more people into the ministry so that we have a wider selection of candidates. The number of people applying for the Advisory Council for the Church's Ministry has so deteriorated that the Church should develop its skills in promoting itself in the market and encouraging more believers to come forward.

Clause 8, on the exercise and rights of presentation, should be noted with interest. The appointment of today's clergy is important to preserve the impartiality of the Church of England and the Christian faith which needs guidance, our help and prayers. We must ensure that the right type of people properly represent the Church. If the wrong people are appointed now, they could be bishops in 20 years' time, and where would the Church of England be then?

11.31 pm

Mr. Simon Hughes (Southwark and Bermondsey): All those interested in this matter, and certainly all those who are members of the Church of England by admission, baptism or confirmation, will agree with the last point made by the hon. Member for Leicester, East (Mr. Bruinvels). He may not always get such cross-party support.

The substantive issue is how one manages — I am fully aware that it is not only within the lot of men and women to manage — the advancement of the ministry within the Church, and how one seeks by every measure possible to increase the number of people able to give full-time ministry to the Christian gospel in this land. We are doing pretty badly regarding the number of those who are full-time ministers and the number who believe in the Christian faith.

Two colleagues from the House—who in this context and I hope on other occasions the *Official Report* will permit me to call my hon. Friends, although they are not party colleagues — the hon. Members for Burnley (Mr. Pike) and for Bury, North (Mr. Bury), and I were in the Anglican church in the Alexandra township outside Johannesburg in South Africa a week and a half ago. We were reminded of the enthusiasm and commitment to the Church and gospel there, despite the most horrendous adversity. Between apparently 75 and 80 per cent. of the 27 million population of South Africa still proclaim their belief and adherence to Christianity—as a result in large parts of the missionary work of the past few centuries. When one compares that with the level of Christian adherence here — there is another debate about the link between the Christian belief and the political system —

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I am anxious to be tolerant, but the hon. Gentleman must relate his remarks to the measure before the House.

Mr. Hughes: My point is that we have a challenge to meet because our ability to bring ministers into the Church is certainly more limited and increasingly insufficient to meet the needs of Britain.

The hon. Member for Wokingham (Sir W. van Straubenzee) introduced the debate with his customary efficiency and expertise, for which the House will be grateful. I shall deal in turn with each of the four matters to which he alluded.

The first purpose was to establish certainty. It was the simple administrative matter of providing that a record be kept of patrons thoughout the Church. Everyone would welcome that.

The report that was supplied to the House by the Ecclesiastical Committee noted that the matter before the House is

"the only major area of the law of the Church of England in which, since 1945 there has not been a Measure designed to modernise and update the law."

Clearly, the measure is also a technical matter. We are told that part of the fourth purpose of the measures is to amend and repeal 35 statutes which go back to the 16th century. It would consolidate the law. I hope that everyone will benefit from a measure that makes the law in this area much clearer. It would be specifically more useful where people were looking for the names and the lists of patrons.

The second and third expressed purposes are the most crucial. The hon. Member for Birkenhead (Mr. Field) has said that the debate has centred upon certain important issues, despite the breadth of the measure. The second purpose was described in the opening speech as having the intention of affirming collegiality and partnership. Without going into the history of the matter in detail, the report from the Ecclesiastical Committee confirms that the debate on this subject has had a long history in the Church, dating back for decades.

For many years, the Church went in a different direction.

In the mid-1970s the Synod voted on the system of patronage that it had inherited. It came close to carrying an amendment calling for the abolition of patronage. The amendment was carried in the houses of clergy and laity and was lost only in the House of Bishops, because of a tied vote.

I started to consider the matter from the premise that patronage and, thereby the ability of lay people to appoint clergy irrespective of the lay person's position of seniority in the Church, was something that we should do away with. However, I realised that when the Church was divided on the issue it was more important for the Church to achieve unity. The Church has done that. According to the figures available to us only a total of four votes were cast against the Measure in the three Houses as a whole.

I take the view—I respect those of others, as I know do all Members of the House—that when the Church of England takes a clear view, then the House should seek to interfere with that with the greatest reluctance. But the more controversial a matter might be in the Synod and in its result, the more right it is that we should examine it in

the House. I say that without betraying my views on the much more controversial subject of the principle of the relationship between the House and the Church of England. That discussion is not for now.

I believe that, given that the Church has found great unity in seeking the right direction and change, we must support the principle of a partnership between the patron, the bishop and the local people. That must be the right way to reconcile the conflicting interests that the hon. Member for Corby (Mr. Powell) and others have regarded as often important and useful. Clearly, it is important not to have regular occurrences of a situation in which a bishop proposes for a living someone who the local people find unacceptable. That situation does not make for a good community or relationship between pastoral leadership and congregation.

Occasionally, it is right for a bishop to press the congregation further than they would wish to go. I was somewhat perturbed by one argument put forward by the hon. Member for Corby, which seemed to suggest his lack of conviction in the competence and wisdom of bishops in their appointments. I do not wish to engage now in that debate, other than to refer to it. However, if that is his concern and the bishops are thought not to be sensitive, that should teach us something about the advice given and the methods by which the bishops should properly have a clear view and understanding of the pastoral needs of his diocese. He should be well equipped to make appointments according to its needs and the changing situations. I hope that there is no suggestion within the Church that people are losing confidence in the ability of the episcopate to make those crucial decisions.

The solution proposed combines the wisdom and authority of the bishops with the ability of the people to participate. Being a Liberal, I mischievously thought that it would be wrong—having decided originally as my premise that the patronage system should disappear, but believing in community politics—not to allow the local community to have as much say as possible. I feel that I have now found my rightful position in party political terms—inasmuch as they can ever apply to matters of this sort—by believing that it is right to maintain this partnership.

Another matter that has clearly troubled the House is that of the third purpose—credibility. How appropriate is it for appointments to be made by patrons who are not either Christians or members of the Church of England? I am unhappy that a patron who is neither a Christian nor a communicant member of the Church of England, nor of a church in relationship in communion terms with the Church of England, should have the right to pass that over to somebody of the same designation.

Somebody of a totally different faith, with no particular interest in this inherited right as a patron, might not show any care in the nomination of the member of clergy in question. Such a person might nominate the first candidate who happened, by that definition, to be qualified. In such cases, I should prefer the patronage entitlement to revert to the bishop, rather than have it rest with the nominee of the patron, the patron being a person who might not be a Christian, but alone a member of the Church of England.

A linked question is whether it is right for a patron who is not a member of the Church of England to have the right of patronage. That issue was explored by the right hon. Member for South Down (Mr. Powell) when he spoke of the relationship between the universality or nationality of the Church and the denominations of the other churches.

The Gospel makes it clear that there is one Church, one faith and one Lord. I am not a denominationalist, although I accept that people have chosen to group themselves into denominations, mainly because of the feelings and practices with which they feel comfortable. Having agreed, for the unity of the Church, to maintain the role of patrons, we should not seek to disqualify patrons from exercising that patronage if they assert and affirm the one true Christian faith.

I hope, in those circumstances, that they will show equal concern, as Christians, for spiritual leadership in the Church. They have a responsibility, though it may not be to the Church of their denomination, to exercise their activities with great care.

I support this instrument because it has been required by the Church for a long time. It will allow progress to be made along the lines suggested by the hon. Member for Wokingham. I hope, above all, that in considering the views of this House, the Church will be encouraged to strive even harder to meet the desperate need that still exists in Britain for more people to be called into the ministry of the Church. I hope, too, that the ministry will be ever more empowered to do the work that, more now than ever, we need the Church to perform.

11.44 pm

Dr. John G. Blackburn (Dudley, West): This is my first opportunity to pay a warm and generous tribute to my hon. Friend the Member for Wokingham (Sir W. van Straubenzee) on the manner in which he presented the Measure and for the opportunity, which I count as a great privilege, to serve with him on the Ecclesiastical Committee for seven years.

I should like to relate my speech to the 191st report of the Ecclesiastical Committee, which concerns the matter under debate. I do not accept that the Measure has been a waste of time and energy. It is an important and reforming Measure, and the last in a long line to appear before the Ecclesiastical Committee. It has a major role to play in the future life and work of the Church, especially pastoral care.

I expressed my support for the Measure when the Committee studied it diligently. It embodies some 35 measures that go back four centuries. Clause 1 establishes a register. That is important for credibility. It will be open for the public to examine it. The Measure comes at a historic time for the Church of England. It is established and wide, but I am glad that it still encompasses the evangelical traditions that I hold so dear. The Church's credibility has been tarnished, but the Measure corrects that.

The General Synod considered the Measure and voted as follows: the House of Bishops, 15 Ayes and no Noes, the House of Clergy, 134 Ayes and four Noes and the House of Laity 121 Ayes and no Noes.

The measure has received considerable debate within the Synod in an attempt to produce that which is good and that which will stand the test of time. When the measure came before the Ecclasiastical Committee I and other members of the Committee—they have spoken with so much knowledge tonight—considered it in great detail. I am delighted to say that the measure in not just the best we could do but I unashamedly hold the view that it is a

[Dr. John G. Blackburn]

good and reforming measure. The measure will bring with it credibility and in that spirit I wholeheartedly support the measure.

In ecclesiastical terms I must get used to describing the measure as expedient. That was the view of the Synod. In simple terms I wish the measure God's speed. I am quitely confident that it will prove to be a considerable blessing to the Church and the work it undertakes. Some of the criticisms which have been made about patronage do not appear to have anything to do with the measure which is before us.

My simple and perhaps puritanical view is that there is no greater calling on any man than to be called of God. That being so, I am sure that such men will be called and that they will restore this nation to the Christian faith which it sadly appears to have left. This is one of the most important measures dealt with in the Ecclesiastic Committee. I commend it to the House and pray for its assent.

11.51 pm

Mr. Harry Greenway (Ealing, North): I apoligise for leaving the House for a short time. I find it fascinating that, under this Measure, a patron may be simple-minded but still a communicant member of the Church of England. People are excommunicated automatically only if they are definitely insane. Those who are simple-minded are acceptable communicants of the Church and are able to present someone to a living, but those who are in total possession of their faculties but who practise a different faith are not able to do so. I point out the fascination of that situation to the House. I agree with the right hon. Member for South Down (Mr. Powell), my hon. Friend the Member for Corby (Mr. Powell) and the hon. Member for Birkenhead (Mr. Field) on this matter.

The measure is unclear about the role of the laity. It does say that parochial church councils should be represented when considering an appointment and that its representatives should have a veto over an appointment. It does not say how those representatives will be appointed, whether they are to be mandated or whether they report back to the Church council. Effectively the veto lies with the church council and I agree with that. Such lay involvement should relate to the whole of the parochial church councils.

When the laity have not been involved, or to a small degree only, with appointments, some such appointments are disasterous because the laity of the Church have not accepted the individual because he is incompatible with them. I hope that, one day, the Synod will consider the role of archbishops and bishops when instituting people to livings.

There was a remarkable story of Canon Newell Long, who was appointed by a patron to the living of St. Aidan's, Birmingham, but the then Bishop of Birmingham, Ernest Barnes, refused to institute on the grounds of his Tractarian views, and there was an enormous battle between the Church and the Bishop of Birmingham. Eventually, the Archbishop of the day instituted the priest in Lambeth chapel, but still the bishop refused to recognise or accept the priest. It was a painful and sad situation, to which the Synod never faced up.

Under this measure, the Synod could have picked up such matters, because there are still occasions when bishops say that if a certain person is appointed, they are not sure that they could institute them. These matters do not come out in the open very much, but they exist, and it is tiresome, wrong and dangerous that they do, and something should be done about it. I hope that the Synod will one day face up to this question, which is even more important than the one with which we have dealt this evening.

11.57 pm

Sir William van Straubenzee: With the leave of the House, I shall reply to what has been a most helpful debate. The House will acquit me if I do so briefly because it will realise that if the House is to come to a decision tonight, which I sense is the general wish, I have to do so within a general constraint of time, according to our Standing Orders.

I am obliged to hon. Members on both sides of the House who have been good enough to take part in the debate. If my hon. Friend the Member for Ealing, North (Mr. Greenway) will look closely at clause 11, he will see how the lay representatives operate, and he will see that they are representatives and not delegates. That is a difference of which we in this House are rather specially conscious because we pride ourselves on being not delegates but representatives. I hope that when he studies clause 11 my hon. Friend will feel that there is a good deal in it for the lay representation.

Rightly, the House has concerned itself with the point initially raised by the right hon. Member for South Down (Mr. Powell), which concerns the exercise of the right of patronage by a patron who is not a communicant member of the Church of England. I make clear the difference between the ownership of the patronage, on the one hand, and the exercise of the right in any particular vacancy, on the other. I hope and believe that this is not a narrow point.

The right hon. Member used the word "ownership" — I made a careful note of this — and said that it would lapse if the patron was not a communicant member of the Church of England. That is an uncharacteristic slip on his part, for we know him to be an exact person in the use of his words. The ownership continues, if necessary, from generation to generation. This is part of the historical nature of the Church of England as it is constituted, and as I approve of it, although not all would do so. I accept that there comes a point when such a person has to exercise in the vacancy concerned his or her right of presentation, and this is what is set out in the Measure. I realise that there have been some doubts about this.

I agree with the hon. Member for Southwark and Bermondsey (Mr. Hughes) that these are matters of judgment, but I should be relucant, in such an eventuality, to see such a right revert to the bishop. However, I recognise that these are matters of judgment. I much prefer the right of the patron concerned to appoint a representative who is a communicant member of the Church.

I warmly agree with my hon. Friend the Member for Corby (Mr. Powell) and other hon. Members that the role of the lay patron in the Church of England is immensely important. I agree with that wholeheartedly. Once again I have to record my personal interest, but my hon. Friend the Member for Corby knows about that. The role of a lay

patron can be important and often is important, and for that reason I want to strengthen the role. I want to ensure that it can be ascertained without peradventure.

My hon. Friend the Member for Leicester, East (Mr. Bruinvels) made a most helpful speech, but I do not think that the register in Crockfords is by any means complete. It is interesting to note that the register will eventually be completed and this in itself will strengthen the role of the lay patron. The other provisions of the Measure also help.

The lay patron is often a person with local knowledge, and is sometimes a bastion against a diocesan bishop who may want to move a man who, as the phrase goes, "has problems." The diocesan bishop may want to move such a person to a parish for reasons which may be quite right from his point of view but which are not helpful from the point of view of parochial life in the parish concerned. My hon. Friend the Member for Corby and I are united in anything that will strengthen, as this Measure does, the position of the private patron.

We all listened with great interest and respect to my hon. Friend the Member for Corby, who told us about the long years of devoted service given to one parish by his father. It brought back to mind, although not from personal recollection, my grandfather's grandfather in my village who was the rector of his parish for 51 years. It was his proud boast that he could drink any gentleman in his county under the table. That is a measure of hospitality that I try hard to maintain. Long service has much to commend it, but equally I see the great benefit nowadays of a proper period of service and then an equal period of splendid service in another parish.

I hope that I have answered the main points raised. The fact that I have not answered at greater length will be understood by the House. Hon. Members will appreciate my problem and will acquit me of discourtesy. I warmly commend the Measure to the House.

Question put and agreed to.

Resolved.

That the Patronage (Benefices) Measure, passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.

Filey Coastguard

Motion made, and Question proposed, That this House do now adjourn. —*[Mr. Archie Hamilton.]*

12.4 am

Mrs. Elizabeth Shields (Ryedale): The subject of the retention of the coastguard at Filey has been causing widespread concern to many people, both locally and elsewhere. More than a century ago — in 1862 to be precise — a coastguard station was first established to keep guard over the bay at Filey. The geographical features of Filey comprise seven miles of sandy beaches which end in three miles of cliff about 300 ft high at the north end, which is towards Scarborough. The bay is attractive to yachtsmen, canoeists, fishermen, swimmers and divers, but it contains some treacherous undercurrents with which only skilled people can successfully contend.

The necessity of keeping a coastguard at Filey must not be underestimated. The population of Filey and its environs is vastly increased each year during the summer months when as many as 100,000 or 150,000 visitors make their way to this popular seaside resort.

The bay is watched over by a full-time coastguard from a specially constructed lookout window built in the coastguard station. The visual importance of that lookout cannot be overemphasised. Scarborough borough council, Filey town council, and the Filey district home and water safety committee, as well as the Filey auxiliary coastguards, have expressed anxiety about the proposals, which are regarded as just another part of the general erosion of visual watchkeeping to which opposition has already been expressed. Several hundred residents and tourists who visit Filey regularly each year have also written to me on the matter.

The number of reportable incidents — those requiring external assistance, such as the lifeboat, helicopter, police or ambulance — illustrates the extent to which the coastguard helps the public. During the past four years, there has been an average of 33 incidents each summer, and this year to date there have been 10 incidents. The number of incidents that are avoided because of the physical presence of the coastguard is considerably more. Part of the his job is the prevention of accidents — warning people not to surf or swim or advising against putting a boat out to sea. It is impossible to quantify the incidents prevented that might otherwise have ended in tragedy.

Not only visitors use the sea at Filey bay. There is a fishing fleet of 16 cobbles, which put out to sea regularly throughout the year, and in the appropriate season there are an additional 13 salmon boats. During the summer months, six fishing boats take parties of anglers out to enjoy their pastime, and dozens of small boats sail in the bay, most of them without radios. All are kept under surveillance by the unremitting efforts of the full-time coastguard.

Another worrying factor is that the proposed reorganisation will lay the major responsibility for replacement cover on the Filey auxiliary coastguards. That is not a practical idea, since most of the auxiliaries are in full-time employment and would be unable to provide the overall weekly cover required in the summer.

The personnel at Filey have already been reduced drastically. In 1982, there were three coastguards. Two have subsequently retired and not been replaced. A year

[Mrs. Elizabeth Shields]

ago, there were as many as 25 auxiliaries. Today, there are only 11, and I understand that there is little possibility of enlisting more members to the auxiliary. Yet the responsibility for that bay is no less.

It is absurd to say that by merging the sectors of Scarborough and Filey and depriving the latter of its full-time vigilante, the residents of the town, the tourists and fishermen will,

"detect an improvement in the standards of coverage."

This is a prime example of remote bureacrats playing with maps and budgets, without taking into consideration the real local case. I wonder whether the Minister has visited Filey and is conversant with the geography, tides and dangers of the area. I should be delighted to show him round Filey, if necessary.

No money will be saved by transferring the service to Scarborough, although money will have to be spent on converting the toll house at Scarborough when there is already a purpose-built station at Filey. Scarborough also has a harbour master and lifeguards. Neither of those facilities is available at Filey.

One of the most important factors is the excellent Royal National Lifeboat Institution, whose members were not informed of the decision to remove the coastguard, with whom they work in close conjunction. During operations, the RNLI relies heavily on the expertise of the coastguard, who acts as a co-ordinator and monitor for its boats when they are out in the bay.

In his letter, the deputy chief coastguard assured me:

"When it is necessary to provide watch locally at Filey, it will be set, whether on the advice of the auxiliary-in-charge, the Sector Officer or the watch at Bridlington."

Without the visual aid, immediate knowledge of incidents in the bay will be delayed. The Filey auxiliary-in-charge lives in Scarborough. The sector officer, who will spend only two days a week at Filey, will also be based at Scarborough, and the watch at Bridlington is equally remote. Perhaps the Scarborough coastguard will be omniscient as well as omnipresent.

The most important issue in all this is safety – the safety of human life, be it that of a child or an adult. I beg the hon. Gentleman to make this his main priority.

12.9 am

The Minister of State, Department of Transport (Mr. David Mitchell): I congratulate the hon. Member for Ryedale (Mrs. Shields) on her good fortune in securing this Adjournment debate.

I welcome the opportunity to explain to the House the circumstances surrounding the change in one coastguard officer's duties at Filey and to demonstrate that, in consequence, there will be no reduction in coastguard coverage on the coastline in the hon. Lady's constituency.

However, I am somewhat perplexed about why the hon. Lady has sought this opportunity to raise the matter on the Floor of the House since Adjournment debates normally follow correspondence in which Ministers have failed to satisfy the Member of Parliament concerned. In this case the hon. Lady wrote to the chief coastguard on 23 April, the letter was received on 28 April, and it was replied to on 2 May. Nothing more was heard until there was a telephone call on or about 3 June to say that the hon. Lady or her office had mislaid the reply to the letter and asking for a copy, which was sent to the House of Commons on 3 June. I make no criticism of the hon. Lady for having apparently lost the letter – it can happen to any of us.

I wonder whether the hon. Lady sought this Adjournment debate in the time when the letter had been mislaid. I say that because, when my hon. Friends the Members for Scarborough (Sir M. Shaw), and for Bridlington (Mr. Townend) and the hon. Member for Kingston upon Hull, East (Mr. Prescott) and the right hon. Member for Barnsley, Central (Mr. Mason) all raised this matter with Ministers, they received a full response which, I think, clarified the matter.

In her letter on Monday this week to the Secretary of State, the hon. Lady, as in her speech tonight, expressed concern about what she calls the Government's plan to close the vital coastguard service station. The Government have no such plan, they never had and there is no intention to close it, as I would gladly have told the hon. Lady, and will confirm in reply to her letter of Monday this week.

It may help the House if I explain the coastguard organisation. The United Kingdom coastline is divided into coastguard districts, each under the control of a coastguard rescue centre manned 24 hours a day with constant monitoring of radio distress channels and a 999 telephone system. I was concerned – as, no doubt, the hon. Lady is – that the hon. Lady had to refer, no doubt quite rightly, to the fact that boats go out to sea without VHF radio. It is a relatively inexpensive piece of equipment, and I hope that she will join me in urging all who take boats to sea to carry VHF radio because it is their lifeline to the coastguard and to the rescue service that comes with the coastguard.

The hon. Lady will well know that, slightly further north of the lookout point to which she referred at Filey, there is a ridge of cliff beyond which the coastguard cannot see. No matter whether he stands over the telescope or elsewhere, he cannot see it. That illustrates the value and importance of boats having VHF radio. I hope that all Members will seek opportunities to remind those who take out boats that they should ensure that they have VHF radio. It is a small cost for making life more secure.

I can assure the hon. Lady that any part of the coast can be placed under visual surveillance if required, and visual watch is ordered whenever required. That applies especially during bank holidays, when there are many more amateur sailors about – in which number I include myself – which obviously requires more visual watch because of the higher risk involved.

Each of the districts to which I referred – the coastguard districts under the control of a coastguard rescue centre manned 24 hours a day – is divided into sectors with a regular coastguard as sector officer, responsible for recruitment, training, overseeing and administration of the auxiliary coastguards who form the local coastguard company for the unit. The sector officer is not intended to man a watch. He recruits, he trains, and he organises.

The system can well be illustrated by a recent incident off Filey on Saturday 10 May, with which the hon. Lady is familiar. A sailing dinghy capsised, throwing four people into the water. I know the coast a little further north than Filey quite well; the water is very cold and it is necessary to get people out of it very quickly. They did not have lifebelts or any suiting to protect them against the cold. The incident was reported by a 999 call to the coastguard rescue centre at 14.23 hours. It immediately alerted the

Filey auxiliary coastguard manning the Filey marine rescue unit. The unit, led by Mr. Parrish, arrived on the scene in five minutes, and having assessed the position arranged the launch of the Filey inshore lifeboat. It was launched at 14.32 hours and, seven minutes later, had effected rescue, no doubt to the relief of the local windsurfer and his friend who had assisted, and, needless to say, to the immense gratitude of those who were in dire trouble in the water. I think that we would all wish to thank Mr. Parrish and his team for what they did and also the RNLI for its sterling and, as always, reliable work.

As I said, the sector officer's job is not to man the watch. He was on that day, having a day off. The first that he knew of the incident was when the RNLI fired its maroons for the inshore lifeboat. The crew already in the boathouse had been alerted by the coastguard through radio pagers; thus the rescue was fully under way without the participation of the sector coastguard. That is no criticism of him, for that is the way that the system is designed to work. In fact, Mr. Cother, the sector officer, although off duty, came as soon as the maroon launching the lifeboat was heard. I would like to thank him for that, and I am sure that the hon. Lady would also wish to do so.

I turn now from the way that the system was supposed to work and did work to the small staffing change that is to take place at Filey. In future, the sector covered by the sector coastguard officer will have 40 auxiliaries in three companies, one of which will be at Filey, and will consist of 14 auxiliares—exactly the same number as now. The lookout is not being closed; it will be used as required. The marine rescue unit remains. The only difference will be that the regular sector officer responsible, not for watchkeeping but for recruitment, training and arranging duties, will be stationed in Scarborough. No one can realistically claim that it should take one man to recruit, train and organise 14 auxiliaries—it does not anywhere else.

It has been claimed that the purpose of this reallocation of duties is to save money. The hon. Lady did not say that, but it has been claimed in her local papers. I wish to make it clear that this rationalisation is to enable increased manning to be provided on the Humber estuary. There is a great deal more activity there. There are various forms of danger and there is mixed shipping. I can assure the House that the sector officer, Mr. Cother, to whom I have already referred, will not lose his employment. He will be offered an alternative post in the coastguard service where he will be more fully employed.

Swimmers do not come within coastguard duties and many local authorities recognise this by providing lifeguards, who mark safe bathing beaches, and watch over them. If the local coastguard unit is aware of a problem, however, it will always seek to help. At Filey, the 14-strong company remains. It is there for any duties which it may be called upon to perform. I cannot too strongly emphasise that there will be no reduction in coast guard services to those in trouble on the sea in the Filey area.

The hon. Lady referred to the proposed changes in her letter—she made a somewhat similar reference in her speech—having

"an incalculable effect on the fishing and tourist industries."

If I may say so, that is going over the top a bit. Will there be an incalculable effect in putting the Filey auxiliaries under a different coastguard officer for the purpose of training and rostering? It would seem that the position has been misunderstood and that the hon. Lady's assertion cannot be taken seriously.

As the Minister who at one time had direct responsibility for HM Coastguard, I pay tribute to it for its constant watchfulness round the clock. Regular and auxiliary coastguards alike do a wonderful job right round our coast, including Filey, and will continue to do so. The House and those who go down to the sea in ships, boats, dinghies, and in these days surfboards as well, have every reason to say thank you to them. I believe that that is the right note on which to end this short debate.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Twelve o'clock.

House of Commons

Friday 13 June 1986

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Enterprise and Deregulation

Motion made, and Question proposed, That this House do now adjourn. — *[Mr. Garel-Jones.]*

9.35 am

The Parliamentary Under-Secretary of State for Employment (Mr. David Trippier): I welcome this opportunity to discuss enterprise and deregulation. To my knowledge, this is the first occasion on which the House has debated these subjects together. The debate shows the priority which the Government attach to encouraging enterprise and removing unnecessary regulations and it is particularly appropriate following the recent publication of the White Paper "Building Businesses . . . Not Barriers".

I am particularly pleased to be taking part in this debate because of my own involvement within the Government in enterprise and deregulation. I have been the Minister responsible for small firms for three years now, both at the Department of Trade and Industry and now with my right hon. and noble Friend the Secretary of State for Employment at the Department of Employment. Enterprise and deregulation are, of course, linked and in my remarks I shall show that one of the best ways to encourage enterprise is to remove unnecessary regulations, which act as barriers to business success and the creation of more jobs. The Government have acted consistently to create favourable conditions for enterprise, through our economic and other policies. We have also taken action to reduce barriers to business success and new jobs. As the new White Paper shows, further action is planned to remove restrictions which prevent business from providing more opportunities for enterprise and employment.

Our policies have aimed at creating the right conditions for enterprise and growth, and the attack on inflation has been rewarded with the lowest level of price increases since 1968. Competitiveness has been improved and the labour market made more flexible. The benefits of this strategy have been seen in a sustained period of growth with increases in manufacturing investment, exports and the creation of new jobs.

We intend to continue this process. As my right hon. and learned Friend the Paymaster General told the House last week, it is important that we keep our industry competitive by keeping unit wage costs down, improving further the working of the labour market—linking pay with performance, improving training for both young people and adults, and encouraging business and enterprise of all kinds.

In addition to squeezing inflation out of the economy, the Government have taken a wide range of action to free markets and to remove unnecessary obstacles. On coming into office in 1979 the Government took early action to remove controls on foreign exchange, hire purchase, dividends and bank lending. We have also liberalised markets in telecommunications, bus and air services. Privatisation has encouraged wider share ownership and improved business understanding in the economy.

We have cut down bureaucracy in reducing the number of forms and statistical inquiries sent to businesses, and more recently we have produced two White Papers on removing controls which are a burden on business and act as a brake on enterprise. Our aim has been to reduce the time and resources that people in business are obliged to spend in meeting the requirements of Government Departments. Time spent filling in a form or writing to a Government Department could more profitably be spent in running the business, generating products, services or sales.

"Building Businesses . . . Not Barriers" contains a balanced series of steps, some admittedly modest, which are intended to help enterprise and employment. It also shows the action that the Government have taken to follow up the proposals in "Lifting the Burden" which was published last year. "Building Businesses . . . Not Barriers" also marks a first for the Department of Employment in that my right hon. Friend has included for the first time the objectives of the Department. These set the proposals on deregulation in the wider context of the Government's objectives for employment and enterprise.

The White Paper reflects our balanced approach to deregulation. We still need regulations — every society does. We must ensure proper protection for employees and consumers and the environment. The Government do not want to see a free-for-all where the strong exploit the weak. As my right hon. and noble Friend the Secretary of State has said, the line between liberty and licence is a fine one. Where controls are necessary, they will be retained.

The new White Paper also describes the new arrangements that have been established within the Government to pursue deregulation: there is the small central task force on deregulation, known as the enterprise and deregulation unit, based at the Department of Employment and including staff on secondment from other Departments or the private sector; there are the deregulation units in all Departments reporting direct to a Minister with responsibility for reducing burdens on business; and there is a new system to assess the cost to business of complying with new regulatory proposals.

Mr. Peter Thurnham (Bolton, North-East) *rose*—

Mr. Trippier: I shall give way to my hon. Friend when I finish this point, because it will particularly interest him, with his concern for small firms. An advisory panel on deregulation, which is a group of nine small business men, has recently been appointed to advise on the problems of deregulation in the real world.

Mr. Thurnham: Will my hon. Friend confirm that there is a deregulation unit reporting to my hon. and learned Friend the Solicitor-General, who introduced a Bill on Wednesday night that calls on businesses to keep records for as long as 15 years? That seems an excessively long period when the EEC is looking only for 10 years. Will my hon. Friend comment on that burden on business?

Mr. Trippier: Now that my hon. Friend has raised that point, I am under a moral obligation to look at it carefully. I was not aware of the provision introduced by my hon.

[Mr. Trippier]

and learned Friend the Solicitor-General, but I shall look at the matter further and come back to my hon. Friend on it next week.

"Building Businesses . . . Not Barriers" contains some 80 proposals for action to reduce burdens on business. I shall not attempt to explain them all in detail, or even to list them, but it is worth picking out some of the main proposals which meet important concerns of business.

The Government's aim is to make it easier to construct or alter business premises, and the White Paper includes measures to remove from the planning system altogether developments and changes of use that cause no harm to the environment and do not therefore need to be subject to specific controls. My right hon. and learned Friend and my right hon. Friend the Secretary of State for the Environment will be announcing on Monday the detailed proposals for changes in the use classes order. These and other planning proposals are being taken forward in consultation with business, the planning authorities and other interested groups.

Taxation — whether through Customs and Excise or the Inland Revenue — is a major preoccupation of business and the White Paper makes a number of important proposals to help enterprise.

The major review of VAT and small business will provide an opportunity to identify precisely the problems being encountered by businesses with the working of VAT regulations, and suggest means to alleviate them. This will be a wide-ranging review, but it will look in particular at the possibility of cash accounting for VAT, annual VAT returns with a possible instalment system of payments and the special schemes for retailers. I know that these are matters of concern to small businesses. The recently introduced VAT penalties will also be the subject of a separate review.

On the Inland Revenue side, we will be modernising the PAYE form P35 which is used for end of year pay summaries and looking further at form P11D on payment of expenses and benefits in kind.

Mr. Paddy Ashdown (Yeovil): Is the hon. Gentleman aware that there is a broad and widely held feeling among small businesses that the Inland Revenue in particular is adopting an unhelpful attitude to small business? I am inundated with letters from small businesses, which seem to have suffered considerably at the hands of the Inland Revenue, which is taking action against them that is unnecessary and damaging to their continued existence.

Mr. Trippier: That is why we think we should review this matter, and the Department of Employment has made representations to the Treasury on that point, which will be reviewed. My mail bag is heavy with complaints about Customs and Excise, but I have some sympathy with its proposals.

The evidence of the Keith committee showed that two thirds of those liable to pay VAT were paying late. I do not see that any right hon. or hon. Gentleman could possibly countenance that, because if we were to allow it to continue it would discriminate against those who were paying on time. The penalties introduced by Customs and Excise for the late payment of VAT are not particularly onerous. People are given two opportunities to delay payment, and on the third occasion Customs and Excise imposes its penalties. All that said, the Treasury has given us the undertaking that it will review both matters, and I would have thought that that would be welcomed by the hon. Gentleman.

Mr. Michael Forsyth (Stirling): Have my hon. Friend's representations to the Treasury included — or will they include — finding an easier test of self-employment and enabling it to be possible for people to be self-employed without being harassed by the Inland Revenue, which has been the experience of many in our constituencies?

Mr. Trippier: That point concerns me in my role as Minister with responsibility for small firms, and I am aware of the ten-minute Bill that was recently introduced by my hon. Friend. Again we have made representations to the Treasury and it has undertaken that, wherever possible, it will explore the progress that can be made to make it more easily discernible as to who is self-employed and who is not. I hope that that will, to a large extent, meet the point.

The White Paper also includes some further proposals to reduce the burden on employers of employment legislation. It has, of course, been said on the Labour Benches that the Government have dismantled the system of rights that we inherited. This is of course absurd. There is in this, as in all matters concerned with employment protection, a balance to be achieved between safeguarding the rights of employees and the encouragement of employment opportunities. The proposals in the White Paper are intended to modernise the system of employment rights to meet the present-day patterns of employment and in particular to encourage the provision of part-time jobs, which are much in demand. Those who say that we have not got the balance right should remember that employment protection legislation has never created jobs.

Mr. John Prescott (Kingston upon Hull, East): The hon. Gentleman believes that employment protection has not created jobs, but we are concerned about employment protection rights. What jobs are created, and what help is given to small businesses, by providing for the payment of a deposit by people who wish to go to a tribunal to appeal against unfair dismissal, and restricting yet again the rights of pregnant women to return to work?

Mr. Trippier: As the hon. Gentleman knows, the proposals in the latest White Paper are open to discussion. He will be aware that in the Committee debating the Wages Bill we spent a considerable amount of time saying that it was seen by employers to be a considerable burden, when, from memory, 75 per cent. of claims were settled outside the tribunal. It is seen not only as a cost, but as something of a harassment to those who are concerned about whether they would be taken to an industrial tribunal at a disproportionate cost. That militates against increasing the number of people they employ. Some employers believe that it is not worth having the hassle, trouble and cost of employing people, and rather than make that decision they avoid it and keep the work force at its present level.

Mr. Prescott: I understand what the Minister is saying. Does he mean that, whatever the justification for the unfair dismissal case, the deposit is to be a deterrent to people going to the tribunal? Presumably that is the case because fewer will go to the tribunal and that will be less of a deterrent to the employer to take people on. What about justice?

Mr. Trippier: There will be a reduction in the number of people who might be trying it on taking cases to an industrial tribunal. It has to be made clear, as it was in the White Paper, that the deposit is returnable if the industrial tribunal upholds the case brought by the employee. The White Paper is also a consultation document, and we invited comments from both trade unions and employers' organisations.

Mr. William Cash (Stafford): Despite the intervention of the hon. Member for Kingston upon Hull, East (Mr. Prescott), does my hon. Friend agree that on many occasions money is paid into court? That is well understood by litigants and other people, and in many respects this proposal does not depart from the normal state of affairs.

Mr. Trippier: That is right. I welcome my hon. Friend's intervention.

Our proposals on health and safety are based on the report of a special study to see whether the law on health and safety at work and its administration causes difficulties for employers, especially small ones. I am glad to say that the study revealed that the great majority of firms contacted had a strong commitment to health and safety. *[Interruption.]* If the hon. Member for Kingston upon Hull, East (Mr. Prescott) would pay attention, he might welcome what I have just said. It is worth repeating, because I think that he would agree with me about it. The study revealed that the great majority of firms contacted had a strong commitment to health and safety. That commitment is shared by the Government and, as we said in "Lifting the Burden", we have no intention of lowering standards or of removing the necessary protection. We want to ensure that health and safety controls are practicable and as clearly understood by employers as possible. We are keen to improve consultation on new proposals and intend that paperwork or administrative arrangements which do not have practical benefits should be removed.

Mr. Prescott: I should like to make a point about health and safety. All hon. Members agree that standards of health and safety have improved since the setting up of the Health and Safety Commission. If the Minister looks at the evidence, he will see that accidents in the construction industry and in manufacturing industry have increased considerably in the last two or three years, coincidental with the reduction in the number of health and safety inspectors and the relaxation by the Government of some of the regulations.

Mr. Trippier: I do not think that the increase in accidents is related to the reduction in the number of inspectors. It is a cause of anxiety to me that there has been an increase in the number of accidents in the construction industry. I can meet the point made by the hon. Gentleman by telling him that I am more concerned about simplifying the regulations than about deregulation.

When I assumed my new responsibilities for health and safety and combined them with other responsibilities for relatively small firms, I asked for all the leaflets that we were sending out to employers to be brought in the Department. From memory, the number of leaflets was 71. Perhaps we are mad enough to assume that all employers read these leaflets. I found some of the leaflets extremely difficult to understand, and I think that the hon. Member for Kingston upon Hull, East, and indeed my hon. Friend the Member for Stafford (Mr. Cash), would also find them difficult to understand. There is a case for repackaging some of these leaflets and for simplification, and that is one of my tasks in the Department of Employment.

If one looks at a pamphlet that one expects an employer to read, one might ask oneself whether the pamphlet is necessary. That might lead us down the track of asking whether the regulation itself is necessary. We ought to concentrate on the matter to see whether we can deregulate, but simplification must come first, and the Opposition ought to welcome that.

Mr. Prescott: What about reducing accidents first?

Mr. Trippier: The hon. Gentleman has a valid point and I am trying to meet it. I would love to show him some of the pamphlets that I examined. They are so full of verbiage, perhaps parliamentary language, and certainly legalese, that in most cases they would confuse the very people whom we are seeking to encourage. If we can simplify them and make them more easily understood, we would get increased compliance.

There are, of course, proposals on other subjects, such as company law, exports, transport and agriculture, and general proposals on licences, communications between the Government and business and on dealing with European Community regulations.

We are anxious to help those in business to get on with their job with a minimum of interference. It is the cumulative effect of regulations that places burdens on businesses, and especially on smaller businesses such as the owner-managed concern. The regulations which must be encountered when moving premises, or when the business grows so that it must register for VAT, or, most important, when the business man or woman wants to take on an employee, can mean that the business simply does not bother. The business does not grow and valuable opportunities for enterprise and employment are lost.

We aim to remove some of the mystery from setting up in business by removing some of the complications so that more people see running their own business as an attainable rather than a remote goal. We are also anxious to encourage people to go into self-employment, to work for themselves and their families.

There has been an encouraging expansion in the number of small businesses and self-employment and in the number of jobs being created in the United Kingdom. There was a net increase of 130,000 new businesses in the last three years for which figures are available. After declining steadily in the 1970s, the number of people in self-employment has increased to 2·6 million, the highest level for 60 years and representing 11 per cent. of the employed labour force.

The Government are keen to encourage small business and self-employment, while it seems — in fact I am certain — that the Labour party did not even mention small businesses in either of its last two manifestos. We are not concerned only with small businesses because we want to see enterprise succeed throughout the economy. Certainly we do not want to place any restrictions on small businesses to stop them from becoming large ones.

Mr. Peter Snape (West Bromwich, East): There are record bankruptcies.

Mr. Trippier: There are also record start-ups, and the hon. Member for West Bromwich, East (Mr. Snape) and his hon. Friends should remember that the net increase in small businesses is the highest in recorded history.

Mr. Prescott: Not established businesses.

Mr. Snape: I do not envy the Minister his task of having to read that dross. Since his Government came to power in 1979, 83 companies in the borough of Sandwell, each of which normally employed more than 100 people, have closed. The result is that 25,000 people have been thrown out of work. That is just one borough in the west midlands. Let us have less complacent nonsense and more action from the Minister.

Mr. Trippier: As an example of my interest in Sandwell, not long ago I opened the enterprise agency there. We are well aware that larger firms have shed labour. No one has a monopoly of compassion for people who, tragically, have found their way on to the dole queue. The Opposition assume that it is the largest companies that will increase their share of the labour market. They will not, and the major reasons for the shedding of labour in Sandwell and elsewhere are increased productivity per man and high technology. Sandwell has one of the best enterprise agencies in Britain, and I pay tribute to the hon. Gentleman's constituents and the enterprise agency. The agency will stimulate the growth of small firms and encourage people who have never in the past considered self-employment as an option to become self-employed. Instead of being so negative about the things that are going on in his constituency, the hon. Member for West Bromwich, East should be much more positive.

Mr. Cash: Does my hon. Friend accept that in Japan and the United States, where enterprise and small businesses flourish to a great extent, 50 per cent. of all businesses fail? That shows that the failure and bankruptcy rates do not necessarily suggest that America and Japan are not enterprising. Quite the opposite is the case, because those are the most enterprising countries in the world.

Mr. Trippier: There is another major difference between the United States and Britain. It is that firms that fail in the United States set up again very quickly. In Britain there seems to be something of a social stigma attached to firms that go down, whereas in the United States it is seen as part of the education process and the people who, unfortunately, go into liquidation learn from their mistakes. They have little or no difficulty in getting a second loan from the bank or in getting Government assistance. When a firm goes down in Britain, it is difficult for it to get a loan from the bank to start up again.

The rate of survival and growth is that much better here than in the United States. Although many people refer to the one in three failure rate over three years, saying that two out of three businesses succeed shows an encouraging record. It is a matter of saying whether the glass is half empty or half full. It is my main responsibility to ensure that the survival rate increases, but we want there to be growth and development as well. My hon. Friend's intervention met that point head on.

Mr. Prescott: I do not even understand it.

Mr. Trippier: Well, my hon. Friend knows more about enterprise now than the hon. Member for Kingston upon Hull, East will ever know.

Mr. Prescott: When comparing the success rates of companies, we must consider their character and that of those that are collapsing. New companies might employ only one or two employees, but the ones that are collapsing are probably established. They are altogether a much more serious proposition and are being replaced by small companies which are highly likely to fail.

Mr. Trippier: I must try to convince the hon. Gentleman otherwise. Unemployment in my consitituency reached 19·1 per cent. in the early 1980s — that is Rossendale alone, and not including the Accrington part of the travel-to-work area. We have now managed to get unemployment down to 13 per cent., which I accept is still far far too high, only through growth and the generation of small firms. All the evidence shows that we shall have growth in employment and a reduction in the unacceptable level of unemployment only through small firms.

I have not met one person in the past three years during which I have had responsibility for small firms who believes that large firms will increase their share of the labour market. The official Opposition should be aware that they will kid nobody at the next general election if they try to convince the electorate that large firms will take on more people. All the international and national evidence contradicts that view.

Mr. Thurnham: Would my hon. Friend like to comment on the nationalisation that Britain has suffered? Does he not think it surprising that the Opposition are not joining us in pressing for more privatisation immediately?

Mr. Trippier: Absolutely. The record of denationalisation proposals shows the success of the Government's policies. The difference between the official Opposition and us is that they see the future in terms of Government interference, whereas we believe that we should stand back. If we are to stand back, however, we should take with us an awful lot of the paraphernalia, by which I mean regulation and red tape, which successive Governments have slapped on the statute book. It is one thing to say that we should stand back, but entirely another to say that we should stand back and take with us much of the red tape which is acting as a brake on enterprise.

There are many signs of successful enterprise in the economy. Since its inception in 1980, the unlisted securities market has seen 443 companies raise £750 million. The United Kingdom is creating more jobs than any other European country, more than 1 million new jobs being created since the spring of 1983.

Mr. John McWilliam (Blaydon): When talking about creating new jobs, will the Minister be clear whether they are full-time or part-time?

Mr. Trippier: That question has been asked often. The hon. Gentleman does a great disservice to people in part-time jobs — he is rubbishing the work that they are doing. He is aware that unemployment remains stubbornly high because more young people are coming on to the job market than there are people reaching retirement age, and because more women are looking for work outside the home. That makes our task that much more difficult. The evidence shows that there is an increasing number of jobs in the small firms sector and that the vast majority of them are real.

We are also witnessing the development of new business opportunities with substantial employment potential in

the leisure and tourist sectors. Tourism is Britain's biggest growth industry, accounting for £13 billion worth of business each year and employing almost 1·5 million people. New jobs in tourism are being created at the rate of 50,000 each year, and there is scope for substantial further growth. There is nothing more annoying to those who work in the tourist industry than to hear Opposition Members say that theirs are not real jobs. Where employment provides a living it is real enough. Tourism is a major industry, and a very successful one.

The Government have been supporting enterprise throughout the economy through our broader economic policies and in practical terms through schemes of assistance and advice to businesses large and small. The loan guarantee scheme provides an important source of funds for companies which need to raise up to £75,000. The scheme has been extended for three years as a result of a Budget measure, and the premium has been reduced to 2·5 per cent., which is 1·75 per cent. net. Because interest rates are so low, and because of the reduced premium, the scheme is cheaper now than it has ever been. It has been very successful in creating many new jobs at a net cost of £700 each. This bears favourable comparison with many other schemes for which the Government are responsible.

The business expansion scheme has also been successful. It has helped more than 700 companies to raise more than £100 million. It has been extended and is now targeted towards businesses with special potential for job creation.

The enterprise allowance scheme has helped more than 150,000 people to set up their own businesses. A recent survey which we commissioned shows that, for every 100 businesses which have survived for three years, 99 additional jobs have been created. Thanks to my right hon. Friend the Chancellor, we will have 100,000 places by the end of the current year. The scheme has helped many people, and two out of three of the businesses that have been set up have succeeded. That is a real attempt at job creation and self-employment.

Financial assistance for enterprise in innovation and exports is also available from the Department of Trade and Industry's support for innovation schemes and the British Overseas Trade Board. The Government also provide advice and guidance to businesses through the small firms service of my Department, which has doubled in size during the past three years. It is a service of which I am extremely proud. We have also launched the regional enterprise units, which are another way in which to have a presence at regional level and get away from Westminster.

The Government also help business through their own purchases. Government contracts offer many valuable business opportunities for small firms. Departments place contracts worth more than £14 billion each year with that in mind. I am pleased to launch formally today a new Prestel information system which will complement the booklet "Tendering for Government Contracts—Advice For Small Firms". It provides detailed information on tendering procedures, the products purchased and who to contact. Initially, the information covers three Departments — the Ministry of Defence, the Crown Suppliers and Her Majesty's Stationery Office, but I intend to expand it to cover more Departments as soon as possible.

The Government also have a substantial commitment to training — both to skills training and training for enterprise, and to equipping people with the skills required for enterprise and employment. The two-year YTS will cost almost £1 billion in 1986-87, and we are also increasing our commitment to adult training with around 800,000 training starts planned at a cost of £270 million in 1986-87, as well as 60,000 places on the training for enterprise programme in 1986-87. The revised enterprise allowance scheme contains a new management training scheme that I have introduced to help new businesses to survive and grow.

The Government are also helping the long-term unemployed through the restart and job start schemes and support for job clubs. The community programme is being expanded to over 250,000 places by November.

We are also taking action to improve the awareness of enterprise and the nature of wealth creation. There is always much talk about how to slice up the economic cake. The Government are trying to get across, particularly to young people, the factors which determine the size of the cake, and how we go about making it bigger. We are also seeking to stress that wealth creation paves the way for job creation.

The Government are supporting Industry Year 1986, the campaign being run by the Royal Society of Arts to improve the understanding of industry and to encourage young people to take up the challenge of a career in industry. Our targets for Industry Year include the introduction of mini-enterprise projects in each secondary school to teach schoolchildren how business works, and to have a schools industry liaison officer in each local education authority by the end of the year. These initiatives contribute to the better understanding of business in schools and in society, and go towards creating an enterprise culture where entrepreneurship and initiative are respected and encouraged. Enterprise and education also come together in collaboration in high technology industry. The universities are realising that there is no place for the ivory tower in the modern world. There are 21 science parks already in operation, with another six under construction. Putting ideas into action creates new jobs.

It would be wrong to conclude my remarks without referring to local enterprise agencies, although I touched on them earlier. Enterprise and new businesses are encouraged not only by central Government but by established businesses, local authorities and other organisations, through local enterprise agencies in England and Wales, involving more than 4,000 companies and organisations as sponsors, and funds from both the public and private sectors.

To assist the valuable work of the local enterprise agencies we have launched the local enterprise agency grant scheme. Our aim is to help to establish a network of viable self-supporting enterprise agencies with funding from non-Government sources. We are providing pump-priming funds for the first five years, matching other contributors pound for pound up to a maximum of £20,000. I commend those working in local enterprise agencies for the invaluable support that they provide for small businesses.

I commend to those hon. Members who have not already seen it the leaflet entitled, "Business in the Inner Cities" which is produced by Business in the Community — the umbrella organisation responsible for helping to strengthen and develop the local enterprise agency movement. That leaflet is very interesting. It covers a wide

[Mr. Trippier]

range of projects throughout the country where established businesses have been helping others to get started. I refer to help in staff, premises and advice. I draw attention, in particular, to one of its paragraphs, which states:

"The primary contribution of companies to assist the inner cities is by remaining competitive, staying in business and growing. In this way a major contribution is made to the creation of wealth and the local economy through wages, rates, taxes and indirect employment in addition to the production and sale of goods and services."

That is true not only for the inner cities but throughout the country. Obviously the economy as a whole is vital in the encouragement of enterprise, and that is perhaps our overriding concern, but the Government also have other responsibilities. We have a responsibility to allow businesses to grow and expand and to stop people from being prisoners of their in-trays, so that they can get on with doing the job.

I conclude by referring to the United States and to the practical example of enterprise, deregulation and the creation of jobs, which is there for all to see. The United States' economy has been thriving and creating jobs 20 million jobs between 1974 and mid-1985. The United States has also been losing regulations, while Europe has gained regulations and lost more than 2 million jobs in the past decade. Within Europe, the United Kingdom has been creating jobs more rapidly than any other country. We hope that by reducing regulations further we can create the conditions to gain more jobs. Freeing the spirit of enterprise is the only way to create lasting prosperity and employment.

10.15 am

Mr. Barry Sheerman (Huddersfield): Listening to the Minister, one would not think that the chilling unemployment statistics published yesterday were the grim reality. That is the backdrop to this debate, despite all the ebullience of the Minister at the Dispatch box. To give him credit, he seemed to give us a Cooks tour of the enterprise initiatives introduced by the Government. However, the grim reality is that we again have an upward trend in long-term unemployment. The Government have thus failed to come to grips with the economy's problems.

The Opposition welcome a debate on enterprise and deregulaton, because we take the subject very seriously. The Labour party very much values the notion of enterprise, but abhors unnecessary regulation, because it makes the lives of our citizens and companies more difficult.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Sheerman: I should like to continue my speech further before giving way.

We believe that two challenges face the country in our search for the successful creation of wealth. During the past seven years the Government have failed to create that wealth. When we refer to wealth, we mean wealth for all our people.

Those twin challenges in our search for the creation of wealth are meeting the challenges of international markets and of fast-changing technology. The country must overcome those challenges if it is to create wealth and jobs. However, there are fundamental differences of view between Labour Members and the Government over what enterprise and deregulation mean. We believe that enterprise and deregulation should be liberating our country so that it can create that wealth. But the Government have given those twin notions a rather sinister and unique interpretation. They have come to mean not, as many of us might have thought, the liberation of our fellow citizens and their enrichment either individually or as a group, but the taking away of the fundamental rights that people have had for many years. I refer, for example, to rights such as safety and health at work, the right to a decent wage, the right to maternity leave, to trade union activity and to job security.

Mr. Trippier: If the hon. Gentleman is serious about enterprise — and it is quite a revelation to us that the Labour party is interested in it —

Mr. Snape: Come off it.

Mr. Trippier: It is a revelation to us. Today is only the second time that I have heard the Opposition Front Bench say that. But if the Labour party is serious about enterprise, why did it omit to mention small businesses in its last two manifestos?

Mr. Sheerman: The Minister had three quarters of an hour in which to make his speech, and he knows that what he said about our last two manifestos is not correct.

The Government's interpretation of enterprise and deregulation is not what we mean when we use those words. Many of the measures supported by the Government are rather sinister. Indeed, I hope to discuss some of the aspects which are more likely to enslave our people than to set them free.

The measures contained in the two most recent White Papers have been offered by a Government who offer precious little else to the unemployed, the employed, small businesses or the economy as a whole. The Minister's presentation was not complete, and my hon. Friend the Minister for West Bromwich, East (Mr. Snape) drew attention to that when he intervened to refer to local enterprise in Sandwell. Since 1979 we have seen the devastation of industry throughout the country. My constituency, which was so strong in textiles, engineering and chemicals, has been devastated. Large and medium-sized firms have been devastated. This has happened because of the exchange rates that the Government have inflicted on them, as well as cripplingly high interest rates.

Mr. Cash *rose* —

Mr. Sheerman: I shall give way later.

Companies went down like ninepins throughout the 1980s, and many companies are still facing serious difficulties. When we ask our local business men what they want, they tell us that they do not want numerous small enterprise schemes: they want a Government with a sense of direction, interest rates brought down and a stimulation of the overall economy by Government-led enterprise.

The measures offered in the past two packages of deregulation offer precious little to most sections of our community. They are part of the Secretary of State's baggage. We know that the real power in the Department of Employment lies with the Secretary of State, Lord Young, not the House. Lord Young carts his baggage around Whitehall as he glides from No. 10 to the Department of Trade and Industry and now the Department of Employment. He cuts regulations and encourages enterprise everywhere he goes. I have no doubt

that many of those now languishing in Her Majesty's prisons cannot wait for the day when the noble Lord becomes Home Secretary and promptly sets up schemes to punish the wicked prison officers who are responsible for all the red tape and regulations, and begins to reward the enterprise of those planning or aspiring to escape.

Only a touch of humour is allowed when talking about Lord Young, because humour plays a small part in the story of everyday regulation and entrepreneurs. The story involves people losing their jobs. Of course, the Opposition do not like us talking about job losses.

Mr. Tristan Garel-Jones (Watford): The hon. Gentleman is the Opposition.

Mr. Sheerman: Not for very much longer.

The Government cannot bear it when we discuss unemployment statistics. They cringe in their seats when we talk about 4 million being unemployed. The story involves people losing their jobs, often unfairly and without redress, having been stripped of the protection of wages councils. They are unable to resist environmental deterioration.

Mr. Trippier *rose*—

Mr. Sheerman: They are unable to protect their lives, even in terms of the environment, because of a lack of planning protection. People encounter serious risks at work because of the weakening of health and safety safeguards.

Having considered carefully the Government's actions over the past year and the two White Papers entitled "Lifting the Burden on Business" and "Building Business . . . not Barriers", we find that the Government could be trying to do two things. First, to give them the benefit of the doubt, they could genuinely believe that their measures will help the economy and do some good. I suspect, however, that there is another deeper and more sinister motive. I believe that they understand that the sort of measures that they have introduced help to deflect attention from their total and absolute failure to tackle the fundamental problems that besiege our economy and their incapacity to begin the process of rebuilding it on firm foundations.

We know only too well of the Government's belief in the virtues of the market. They have a profound ideological belief that merely to free market forces will free the individual and the company and bring about inevitable wealth creation. No one likes unnecessary regulation or red tape. The Opposition applaud the sweeping away of rules that have outlived their usefulness, or the eradication of regulations that make life more difficult for successful business generation. The Minister was talking to his Parliamentary Private Secretary and did not hear my last remarks. I repeat, the Opposition applaud the cutting of unnecessary red tape, but cutting through red tape is very different from doing away with rules and regulations that are often the hallmark of a civilised society, giving and ensuring rights of citizenship, employment protection, fair play and limiting the dislocation that is caused by planning abuse. We must be exceedingly careful in arriving at a balance. The Minister thinks that the Government have the balance about right, but anyone reflecting on the Government's proposals would be dubious about that claim. One person's red tape is always, or possibly, another person's personal protection.

The Government claim to be striking the balance, but we cannot agree with that. Their belief in deregulation and the market has been elevated to an article of faith. As we know, it is part of the Prime Minister's rhetoric and the ideological baggage of the Secretary of State for Employment. That is dangerous because, as a creed, it is so simplistic that it leads to ideological fixation.

Mr. Thurnham: Perhaps the hon. Gentleman will enlighten the House on the Opposition's ideological fixation on Clause Four which has been the cause of so much loss of enterprise. When does the Labour party intend to get rid of it?

Mr. Sheerman: In pursuing Clause Four we are applauding enterprise. We believe that the rewards of enterprise should be shared among all the people, not just a few of them. I take that intervention much amiss from someone who in Committee said that we should return to sweat shops. I believe that the pursuit of Clause Four is compatible with the spirit of enterprise, but enterprise that creates wealth for all our people.

Mr. Thurnham: On a point of order, Mr. Deputy Speaker. The hon. Member for Huddersfield (Mr. Sheerman) has misquoted me. If he cares to refer to the *Hansard* report of the proceedings of the Committee on the Wages Bill, he will see that I referred to wealth shops, not sweat shops.

Mr. Sheerman: The hon. Gentleman will have a chance to make his own speech. I presume that it will be more of the same.

The Government's creed is dangerous because it is so ideological and simplistic that it will lead to an ideological fixation. Those who peddle it court the label "ideologue", and there is no better example in the Government than the Under-Secretary of State. The evidence of this is the single-mindedness with which the market philosophy has been presented as the saviour of the British economy. The Government can see nothing but the freedom of market forces. That doctrine continues to be presented despite all the evidence of the past seven years, the disaster that has befallen our manufacturing capacity and the testimony of the 4 million who are unemployed.

We now have the emergence of Lord Young's review unit — the enterprise and deregulation unit. There is policing of Whitehall thinking in every Government Department to ensure that the correct ideological line is toed. That is the centrepiece of the recent and most pathetic White Paper.

It is clear that we have a Government with an ideological fixation rather than a practical programme of measures to help British industry. We know that that is so because of the gap between the rhetoric of Ministers and the reality of what they are doing. The claims made for the proposals in their White Papers and other similar measures are pathetically over-inflated. They range from the claim of the Financial Secretary to the Treasury, who says that unnecessary regulation has lost 1·6 million jobs to the British economy, to the claim from other quarters of the Government that their measures will help to generate an enterprise culture and free business to create significant new wealth.

Indeed, *The Times* leader of 23 May commented:

"Even judged by such sympathetic standards, however, the upbeat presentation cannot disguise the disappointing contents of the latest deregulation White Paper."

In similar vein, the *Financial Times* said:

[Mr. Sheerman]

"Micro-economic reforms are necessary but they need to go together with appropriate macroeconomic policies and to be directed towards those areas of the economy on which they will have a really significant effect."

Mr. Cash: The hon. Gentleman has quoted from newspapers. I am sure he will have read *The Times* of 5 June, which contained a special report on small business. The newspaper said:

"The Labour Party, taking the wide view in its economic policy, has yet to examine the situation at a small business level."

I am sure *The Times* consulted the hon. Gentleman's party before it published the article. That article shows that the Labour party has done almost nothing to examine the question of small business, and what we have heard today has added very little to it.

Mr. Sheerman: The hon. Gentleman does not know what is going on in the Labour party. The Labour party is, and has been, committed to the generation of small business and to helping small business and enterprise. The Labour party will present to the electorate, at the next general election, a package of policies for small business and enterprise that will be more acceptable and attractive to the electorate and the small business man than anything the Conservative party has done, will do or promises to do.

The claims that we have heard this morning about Conservative party policies far exceed any possible achievable results. That part of the Department of Employment which the Paymaster General retains must know what a limited effect, in terms of job and wealth creation, the range of measures has. Perhaps the Paymaster General lives in a different world from most of us. Recently, he was quoted as asserting that he and the Government were doing the same things that Lord Salisbury would have done 100 years ago. I must tell the Paymaster General that the world today is different from the world in Lord Salisbury's day. This is the age of microchips and multinationals. We have lost an empire and protected markets. We are struggling to survive in a turbulent international environment against a background of rapid changing technology and with a wholly inadequate capital machine and manpower stock to compete effectively. None of the policies mentioned this morning by the Government Front Bench do anything to create that kind of base. Indeed, the Minister actually boasted about the freeing of exchange controls.

Mr. Trippier: Will the hon. Gentleman give way?

Mr. Sheerman: No.

The freeing of exchange controls has allowed footloose British capital to flow and to invest not in Britain, but in our competitors in other parts of the world.

Many of the implications of the recent measures are illustrated in their effect on real workers in real industries, many of which, such as the printing and the building and construction industries, are dominated by small business. Let us consider the implications for them. Labour Members have mentioned, by way of intervention, the amazing suggestion that, in this day and age, sacked workers must pay a fee of £25 to appeal against wrongful dismissal before a tribunal. If a worker wins his case, he will get the £25 back. If he loses his case, he will lose not only his job—and all that means to persons who, in most parts of the country, have poor prospects of getting another—but his £25. A caring Government would not come forward with such a proposal. The Minister said that is still open for negotiation, but it is appalling that it had to be mooted even in the first place.

The qualifying period for providing detailed reasons for dismissal has been extended from six months to two years. That is another blow to workers' rights, which the Minister says does not matter. In this day and age, we must be interested in the rights of women in the workplace. Many talented women have never been allowed to use their abilities to the full—to get jobs that do justice to their talents and to be rewarded properly for those abilities. The Government have struck a further blow on working women. Until now, a firm with fewer than five employees was exempt from the obligation to allow women to return to work within 29 weeks of the birth of a child. That will be increased to apply to firms employing up to 10 employees. That is another cruel blow to the rights of women to work, to pursue a career and to return to it after they have had a child. It is a disgraceful and mean suggestion. I am surprised that the Minister supports such a measure. I see that he is not begging to intervene.

Mr. Michael Forsyth: Is the hon. Gentleman aware that in Italy all firms which employ fewer than 15 people are exempt from all regulations regarding health and safety benefits and so on? The effect has been a dramatic expansion in employment and the growth of such firms. Does he condemn the ideology of the Italian Government for that?

Mr. Sheerman: I should have thought that my responsibility and that of the Government was to the rights of people in this country. We believe in the protection of workers at work. We believe in the rights of women to work and to go back to work. We do not have to look to Italy in terms of the rights and the abilities of women to make their way in society. In fact, Italy is one of the last countries I would look to in that respect.

Regarding the right to time off for trade union matters, another damaging blow has been struck against genuine trade union activity in the workplace.

Amazingly, firms with fewer than 20 employees will be exempted from producing a written health and safety policy. The Government may think that it does not matter if they start trimming health and safety regulations in small business. Once again, health and safety at work are seen by the Government as not important in small firms. The Minister glided over the fact that most accidents at work occur in those small firms on which he has turned his back.

Mr. Trippier: I have already made that point. I wish to make it clear to Opposition Members that one of the major reasons for a higher incidence in accidents is that the material for which we are responsible, through the Health and Safety Commission, is misunderstood or not complied with in many instances. It is simplification, not deregulation, which will put that right. The hon. Gentleman is wrong to accuse me of wanting to deregulate health and safety.

Mr. Sheerman: The Minister is absolutely obsessed with pamphlets. It is not a matter of the clearness of pamphlets. The fact is that in real industries, such as the building and construction and manufacturing industries, the accidents occur in small firms. If we give up on regulation, having

cut back the number of factory inspectors by 200 between 1979 and 1984, how can we police and regulate whether employers adhere to proper health and safety standards? The fact is that the Under-Secretary of State and the Government do not care. The increasing number of deaths and serious injuries in small firms is a national scandal, taking us back to Victorian days when people were killed and maimed and no one cared. That is what the Government's deregulation policies are doing.

Mr. Trippier: Private enterprise.

Mr. Sheerman: That is private enterprise — private enterprise according to the Government.

Mr. Jeremy Corbyn (Islington, North): I heartily endorse my hon Friend's remarks about the Tory attitude to health and safety. Does he accept that one problem is the inadequate number of health and safety inspectors and the many loopholes in the regulations? Many serious health hazards and accidents at work could be prevented if the health and safety inspectorate were strengthened.

Mr. Sheerman: I agree with my hon. Friend. We do not want to inhibit small firms, but we owe a duty to people to protect and ensure their health and safety at work. That has been a long tradition. It used to be a bipartisan policy. We used to take it for granted that civilised Governments and political parties believed in protecting people at work, but obviously that policy is long gone in view of the present ideological climate of the Conservative party.

Mr. Trippier: Will the hon. Gentleman, either now or later, refer to that part of the White Paper that says we will deregulate on health and safety matters?

Mr. Sheerman: I have already given chapter and verse on the reduction in standards. Does the hon. Gentleman deny that firms with fewer than 20 employees will be exempted from producing a written health and safety policy? If that is not the document, will he say so?

Mr. Trippier: That is not deregulation.

Mr. Sheerman: If I start speaking in Italian, perhaps some Conservative Members will start to understand what we mean by health and safety at work. Unfortunately, my competence in Italian is not sufficient for me to use it at the Dispatch Box. I challenge the Under-Secretary of State to deny that policy.

What is worrying about the Government's proposals is their simplistic solution and rigid ideological trains of thought at their worst. Real problems are set to one side; they are not taken seriously. The Under-Secretary of State refused to deal with the problems of exchange rate fluctuations, interest rates, investment in Britain, and so on.

Mr. Trippier: What would the hon. Gentleman do about them?

Mr. Sheerman: Those are the macro issues to which the *Financial Times* referred.

There is nothing wrong with deregulation done in a practical spirit with regard to a balance of interests, respect for the environment, concern for employment rights and a genuine interest in the fate of workers and consumers as well as private business. That is our view. There is nothing wrong with the right balance; nor is there anything wrong with enterprise. The problem is that the Government fail to see that enterprise must start at the top.

What we want, and what the Minister did not mention, is an enterprising Government who recognise that it is their job to be enterprising. We want a Government who will take responsibility for creating a framework for strong economic performance and who understand how our international competitors use planning and intervention in the market in an innovative and enterprising manner. That is what the Government cannot grasp and take on. Our competitors use innovation and inventive and enterprising policies and intervene in the market to ensure that their industries can compete easily with ours. That is the success story of other countries which are doing so much better than us.

The Under-Secretary of State boasted about how much training the Government were providing. What are the facts of deregulation in training? Instead of freeing enterprise, what happened when the Government abolished the industrial training boards? The Minister said that when we get rid of industrial training boards, private industry with free enterprise workers will train the work force.

Mr. Trippier: Rubbish.

Mr. Sheerman: All the printed evidence shows that private industry spends 0·15 per cent. of turnover on training, compared to our international competitors who spend between 1 and 2 per cent. of turnover on training. That is the reality of liberating enterprise without any regulation.

The Under-Secretary of State did not mention research and development and the extent to which freeing the spirit of enterprise had created research and development in our industries. There is an appalling level of research and development in most of our manufacturing and industrial companies. Without Government intervention, direction and incentives, research and development, like training, will not take place.

Mr. Trippier: What will the hon. Gentleman do about it?

Mr. Sheerman: The hon. Gentleman has proudly boasted of enterprise schemes. If the country does not invest in training and in research and development, our economy's long-term prospects will be dismal. The hon. Gentleman knows that, but he did not address his remarks to the fundamental issue. The real thrust of our economy will come from the major manufacturing companies. If they do not succeed, the small firms — yes, they are valuable, but most of them are running and working in the wake of the large companies — will perish. The Under-Secretary of State does not see that the real objective is to get the heart of our economy and manufacturing employment researching, developing and training its work force. If the Government do not do that, all the work of small business will be to no avail.

This morning, we heard of the wonderful parade of work that will be done for small businesses, but there was no understanding of the fact that, if prime manufacturing industry is allowed to go under, there will be nothing left and small businesses will die. Those small businesses live on the business of prime manufacturing units. There was so much rhetoric from the Under-Secretary of State that he missed the point about the reality of the manufacturing future for our people and our country.

[Mr. Sheerman]

I do not want to take up as much of the time of the House as the Under-Secretary of State. We want a Government who will force companies——

Mr. Trippier: What will a Labour Government do?

Mr. Sheerman: After the next election, the Labour Government—perhaps not many Conservative Members will be here then and perhaps the Under-Secretary of State will be showing his enterprise in stockbroking—will co-operate with companies in a planned way to ensure that investment, training and research and development take place and that there is investment in this country, not in other countries. Such developments will ensure that we can compete effectively with our rivals, by deregulating—*[Interruption.]* Does the hon. Member for Watford (Mr. Garel-Jones) wish to intervene?

Mr. Nigel Forman (Carshalton and Wallington): My hon. Friend is not able to intervene.

Mr. Cash: The hon. Member for Huddersfield (Mr. Sheerman) is making great play of the fact that so-called declining industries are not playing their part. GEC, which is in my constituency, has just made £1·5 million available to a college for research and development.

I should like to take up many points in the hon. Gentleman's speech, but I will not do so now. However, I may refer to them when I speak later.

Mr. Sheerman: The hon. Gentleman has quoted the wrong company. Its chairman told the House of Lords Select Committee, as did Sir John Harvey-Jones, that we cannot base the future of our country on the service industries and that, if we do not pay attention to prime manufacturing industries, we are lost.

Mr. Corbyn: Is my hon. Friend aware that since Lord Weinstock took over GEC, 15 or 20 years ago, there has been carnage in jobs at the Stafford works and related factories in that area, which has led to serious levels of unemployment and the destruction of the electrical engineering manufacturing capability of this country by a process of asset-stripping by that gentleman?

Mr. Sheerman: I take note of my hon. Friend's serious and worrying point.

In many ways the Government have attempted to hijack the word "enterprise" and to use it as though they invented it. I shall illustrate what a real spirit of enterprise might do for our country — a spirit of enterprise interpreted in a rather different way. I would like a Government — especially the Departments of the Environment, Health and Social Security and Employment — with the vision to accept that this country suffers deep problems of housing disrepair and homelessness, to say, "There are hundreds of thousands of unemployed building workers. Construction is a great engine for economic growth; it has minimum import implications and a healthy multiplier effect when it starts growing. Let us get these unemployed building workers back to work building houses for people who want homes. Let us get them moving into that area, building up our country and getting rid of the dreadful scourge of unemployment." What a spirit of enterprise that would show.

A careful and detailed analysis of this country shows that such initiative and enterprise would lead to significant savings in public expenditure.

Mr. Trippier: With all that proposed Government expenditure, will the hon. Gentleman tell us by how much taxation would need to be increased and what rate would be levelled on, for example, the small firms that he purports to support?

Mr. Sheerman: Does not the Minister believe that it must be good sense and good value both for our country and people to pay people to work, to get them into the tax-paying bracket and to create real assets to hand on to our children? Surely that must be good value, even if it means an increase in taxation — *[Interruption.]* Conservative Members know that I am giving not a specfic answer this morning, but an overall picture of what the next Labour Government will do. They will be an enterprising Government who will invest in people, in assets and in the future of our country.

This Government, in so many areas of their policy, have abolished and stifled enterprise. For example, some of the best local authorities were leading the way in local enterprise. The Minister referred to Sandwell and its enterprise initiative. What about the enterprise initiatives of the metropolitan counties and the GLC which the Government abolished? They were leading the way in much of the social and industrial enterprise in their local economies.

Positive, not negative, enterprise is what the Labour party believes in and what our country so desperately needs. We must await the next general election, when a Labour Government will release a spirit of enterprise so that all our people can work together to create real jobs and real wealth—wealth that will be distributed fairly to all the people.

10.55 am

Mr. Nigel Forman (Carshalton and Wallington): The House will not have failed to notice that during the 40-minute speech of the hon. Member for Huddersfield (Mr. Sheerman), with its characteristic windy rhetoric, he devoted only two or three minutes to discussing what the next Labour Government, if there were to be one, might do for enterprise and jobs.

I noted two salient characteristics in the small, positive aspect of the hon. Gentleman's speech. The first concerned the objective to plan to ensure that this, that and the other happened. It is clear that behind that lies an interventionist philosophy that was severely discredited—not only in this country but in all free economies — during the 1970s.

Secondly, the hon. Gentleman made a rather guarded admission that a Labour Government would increase taxation to pay for their approach. The figures on the record, which have not been seriously challenged, suggest that a Labour Government would increase taxation by at least £24 billion, and that is probably an underestimate. Therefore, the House should treat the policy part of the hon. Gentleman's speech in the spirit it deserves.

By contrast, I pay tribute to my hon. Friend the Minister for his excellent and positive speech which set out a whole range of measures in which the Government are engaged to stimulate enterprise and create more jobs. Against the background of the recent White Paper

"Building Businesses . . . Not Barriers" the Government have clearly established that there is much that we can still do to foster a tendency that is already evident in the economy—the creation of new jobs and new businesses.

I was heartened by what my hon. Friend said about the creation of 130,000 net new businesses during the past three years under the policies established by this Government. That, more than anything else, shows that if we create the right conditions for employment, small businesses will follow. What are today small businesses will, in many cases, tomorrow become the larger thriving businesses that will take on more people.

Mr. Snape: In which part of the country have these 130,000 new businesses been created?

Mr. Forman: I do not have a detailed breakdown of the figures; I took them from my hon. Friend's speech. However, I have no doubt from my experience in my constituency that a large number of new businesses have been created—some because of the excellent enterprise allowance scheme which has been such a positive measure.

I wish to refer in a little detail to the important question of balance between regulation and deregulation—a point which, in all fairness, was touched upon by the hon. Member for Huddersfield. The Government rightly contend that in this country—and, indeed, in much of Western Europe—there is an excess of regulation, and has been for historic reasons for some considerable time when compared with the United States. Paragraph 1.12 of the White Paper makes the point that further deregulation along the lines of that carried out in the United States during the past 10 years could create a large number of new jobs.

One thing from which I think the House would benefit, not necessarily today, but subsequently, is to have fuller information than could be given in one paragraph in the White Paper about exactly how and to what extent the United States has deregulated over that period. One brief paragraph, which makes an important point, needs to be elaborated on on a future occasion. For example, it would be interesting to know the extent to which it is a matter of things not being regulated in the first place in the United States, or of active deregulation. There is some ambiguity in that paragraph. I think that my hon. Friend the Parliamentary Under-Secretary would do well to use an appropriate occasion to spell out further some of the benefits of the American model.

It is true that where regulation is a restraint on trade, it is absolutely right for Government policy to be founded on strong deregulation. I shall give two or three examples. There is no doubt that national regulations in the European Community have prevented the emergence of a genuine Common Market. It is most welcome that the Government's policy, in alliance with many other member Governments, is to make further progress, particularly during our presidency of the EEC in a little while.

Secondly, there is no doubt from historical evidence that trade union restrictive practices, based not so much on legislation, but more on historical collusion between employers and unions, have been against the national interest. That merits an approach of deregulation, which the Government have taken. I need cite only the examples of the printing industry, which is topical, or, traditionally, shipbuilding, to make my point.

Thirdly, to show that I am in a spirit to be fair about those matters, I say that there is no doubt that this country has suffered over many years from what I describe as professional or commercial monopoly practices. Examples are the solicitors on conveyancing, or the British Medical Association's hostility to homeopathic medicine. Until recently, there was a self-regulating ban in the City of London on multiple capacity in financial services. All those things are examples of the barnacles of regulation which have grown up by collusion between private interests over many years. The Government are absolutely right to tackle all those things. Deregulation is bound to help the progress of the economy and the creation of jobs if it directed to those purposes.

Mr. Michael Forsyth: Does my hon. Friend put in the same category the recent contract negotiated between the pharmacists and the Government, which restricts the right of new pharmacists to open up in competition and dispense National Health Service products?

Mr. Forman: I do indeed. My hon. Friend has chosen a good example. I am afraid that it demonstrates how widespread is the almost automatic approach in too much of the British economy.

It is much more dubious to seek to deregulate on a large scale where the essence of the regulation involved is genuinely and widely recognised to be for the common good, public safety or the protection of the environment. In such cases, deregulation might please the business lobbies and might eventually increase profits as a result of reduced compliance costs, but will not necessarily produce many or any new jobs. Let me give a few examples of what I mean.

I represent a constituency that is very much interested in the future of the green belt. There is no doubt that any serious infringement of the green belt in London or the south-east, or any major revision of the Town and Country Planning (Use Classes) Order 1972—which I understand is to be the subject of a further consultation document, perhaps next week—would be a matter of considerable concern to many of my constituents. They believe that existing regulations in those spheres help to protect the quality of life in residential areas. They are right to believe that.

Mr. Corbyn: I welcome the hon. Gentleman's remarks about protecting the green belt. Does he agree that, by the same judgment, it is wrong of the Government to introduce special development orders for nuclear dumping sites? Does he not agree that there should be normal planning requirements for them?

Mr. Forman: That demonstrates the unwisdom of giving way to the hon. Gentleman. There is little relationship, either direct or indirect, between the point that he makes and the point that I was seeking to make about the genuine preservation of residential areas.

Another example of regulation that needs to be preserved is this. If the Government proceed, as they say they might in the White Paper, with the rationalisation of air pollution control—I understand that there is also to be a forthcoming consultation paper on that—or with simplified licensing arrangements for water abstractions and effluent discharges, notably in the context of water privatisation, once again, we must look carefully at such measures. Those are examples, in what I would describe as my balanced approach, of regulation that needs to be carefully preserved and used in a modern, sensible way.

Mr. Cash: I always have the greatest respect for my hon. Friend's opinions, fairness and sense of balance. Does he acknowledge that in the White Paper "Building Businesses . . . Not Barriers", paragraph 5.2 states that

"The chapter on 'Planning and Enterprise' in 'Lifting the Burden' reaffirmed the Government's concern to protect and enhance the environment in town and country, to preserve our heritage of historic buildings and rural landscape, to conserve good agricultural land and maintain the Green Belts"?

That chapter is well written. The White Paper shows how the balance that my hon. Friend would like to see is in fact being achieved without derogating from the rights of individuals, which we all want to protect.

Mr. Forman: I am grateful to my hon. Friend. That endorses the importance of the point that I was seeking to make. It is not that I do not trust the Government—I trust them implicitly. The point is that I wish my hon. Friend the Minister, and through him all my right hon. and hon. Friends, to be acutely aware of the strength of public feeling in those areas.

Mr. Sheerman: Is the hon. Gentleman particularly worried that the present Secretary of State for Employment's only real claim to being an entrepreneur is as a property speculator?

Mr. Forman: I am not at all worried about the provenance of the Secretary of State. He is doing an admirable job in his sphere of responsibility. He is one of the most positive members of the Government.

There is one other example where I express a small concern and put down a marker, in my willingness and keenness to preserve the balance. The Government speak in paragraph 7.10 of the White Paper of raising the hours of work thresholds above which employees qualify for the main employment rights. Once again, the Government need to be cautious in that area because those are far-reaching measures. I have nothing against part-time work. Indeed, the expansion of part-time work has been one of the positive characteristics of recent job creation. But we must be careful of a society that might emerge, in which there is a stratification of the labour market and in which a growing proportion of those in work find themselves without the normal protection and understandings that would be available to full-time workers. The Government need to be cautious before going too rapidly in the direction suggested in paragraph 7.10.

The overall picture that I draw is that deregulation has a very important part to play in stimulating enterprise and jobs, but the balance must be preserved. More important even than the thrust of deregulation are the Government's other policies to facilitate and enable the creation of new employment. Let me give some examples. The enterprise allowance scheme, to which my hon. Friend the Minister referred, is an excellent example of the success of the Government's enabling policy. I should like to press, as I have done in pamphlets and elsewhere, that the qualifying conditions and other aspects of the scheme should be further relaxed to make it demand-led. Secondly, I welcome very much my hon. Friend's remarks on the loan guarantee scheme, and the Budget extensions to the scheme. Once more, it is an example of the effective use of public money. If one can get a net cost per job of some £700, as my hon. Friend said, obviously that is a cost effective scheme.

Thirdly, I repeat my plea for the Government to continue efforts to persuade our EEC partners to raise the VAT threshold from its present far too low level of £25,500 to nearer £50,000. The Government's idea of an optional maximum threshold, about which more could be said, is good in the sense that it would allow more flexibility in what seems to me to have become rather tight arrangements.

My final example is the promotion of tourism, both at home and abroad, and the use of a range of policy intruments for intelligent regional policy, combined with institutional mechanisms which will bring together public and private finance. The Government would do well to consider public procurement and use as a model the Scottish Development Agency which has been successful in attracting investment. The Government would do will to encourage the embryonic Northern Development company which typifies the mixed public-private approach that I recommend.

Such changes in the climate for enterprise make it easier to encourage jobs and to make changes of a positive character. However, the Government often make changes easier to make prospectively than retrospectively. We must always carry public opinion with us when contemplating such changes, especially in those areas around which I have put some markers.

It is worth bearing in mind that a growing number of people put a high value upon the quality of life. In many people's minds that is associated to some extent with regulations in the environmental and similar spheres. The Government are wise to concentrate on trying to eliminate some of the estimated compliance costs, which all new legislative measures involve, especially those emanating from the European Commission in Brussels. Extra compliance costs on the private sector produce extra enforcement costs to be borne by the public authorities—central and local government.

I support the continuing work by the enterprise and deregulating unit in the Department of Employment, but, like everything else, progress should be on a balanced basis. We must guard against going too far in either direction.

I am glad to have contributed briefly to the debate. I wish the Government well in their efforts to encourage enterprise and new jobs without abandoning the essential regulations necessary in a civilised society.

11.12 am

Mr. Paddy Ashdown (Yeovil): I listened with pleasure and much agreement to the speech by the hon. Member for Carshalton and Wallington (Mr. Forman). His wise comments on deregulattion and the balance that needs to be struck will bear reading in the *Official Report* on Monday, particularly by those in his party who seem to be driven more by ideology than by pragmatism or practicalities.

I apologise for the fact that I shall have to leave the debate for about an hour about midday, but I shall return to hear the winding-up speeches. I am sorry that I shall miss the speeches by other hon. Members.

We can all understand why the Government wish to have a debate to show off their achievements in enterprise and deregulation, but it is sad that it is being held on a Friday. All our debates on small businesses and enterprise seem to be held on a Friday. The last exception was on a rare alliance Supply day, when we chose the subject for debate mid-week. The Government are right to have this debate.

I congratulate the Government on beginning to tackle the task of altering Britain's culture to give appropriate standing, status and impetus to enterprise. Uncharacteristically, I want to pay tribute to the Under-Secretary of State for Employment, the hon. Member for Rossendale and Darwen (Mr. Trippier), whose long commitment to and knowledge of the small business sector is broadly respected and well understood by the small business sector.

I hate to temper that comment with some harsher words. I do not call into question the hon. Gentleman's personal commitment or the respect in which he is held, but I have rather less confidence in the Government's commitment. Shifting the responsibility from the Department of Trade and Industry to the Department of Employment and the rest of the evidence available shows that the Government are now regarding enterprise and the small business sector in the context of the battle against unemployment. They see it as a soft option.

Mr. Trippier: I appreciate that there could be balancing arguments about whether the responsibility for small firms should remain in the Department of Trade and Industry or be moved to the Department of Employment, but I should have thought that the hon. Gentleman would acknowledge that since the change last September the policy for small firms has assumed a much higher profile.

Mr. Ashdown: I am happy to concede that, but the Government's attitude is driven by the desire to use enterprise as an instrument — perhaps the 'only instrument' — to bring down the scandalous unemployment levels. I am worried that enterprise, which is so important and vital to the industrial restructuring of Britain, is being treated in some senses as a PR exercise. There is far too much froth and far too little substance in what the Government say.

As I go round the country I find, like the hon. Member for Huddersfield (Mr. Sheerman) and others, that the first complaint that small businesses make to me is about the generally low level of economic activity. Valuable and important though enterprise is, it is not a substitute for economic regeneration. It is only part of a general plan for economic regeneration, which is so desperately needed in Britain. Encouraging enterprise can be successful only if it takes place in the context of a thriving economy, and in particular of a regeneration of the manufacturing sector, one-sixth of which has been wiped away since 1979. I accept that some of that is to do with world recession, but some of it is a result of the Government's general and rather surprising dependence upon the miraculous power of the market place. They believe that that will achieve all that needs to be achieved. I say that while dissociating myself from the comments and tone of the hon. Member for Huddersfield, who seems to think that everything can be planned into existence and that prosperity can be achieved because it is in the will of the Government.

We need to establish a partnership between Government enterprise and small businesses — I congratulate the Government on having begun one side of it—to regenerate the economy. That partnership cannot be driven by ideological concepts on either side of the equation.

Mr. Cash: One of our difficulties is that the alliance parties so often try to have it both ways. An SDP industrial policy document speaks of

"a situation in which there is little prospect of a significant increase in employment in large enterprises in either the private or public sector".

The hon. Member for Yeovil (Mr. Ashdown) argues in support of enterprise, while saying that we must stimulate the larger public and private enterprises. The SDP document contains a realistic appraisal of the position, which we acknowledge.

Mr. Ashdown: I suppose that it must be because of the hon. Gentleman's training as a lawyer that he has the habit and skill of deliberately misunderstanding what is said. I did not say that we can necessarily generate new employment in the larger industries, whether state or private. I share the Minister's view that small industries will be the employment growth sector. The hon. Member for Stafford (Mr. Cash) overlooks — probably deliberately, because he is too intelligent to do so accidentally — the fact that small industries depend on the wealth and prosperity created by larger firms. We cannot pass Britain over to a service sector industry.

The experience of the United States has proved time and again that effective service industries depend on an effective manufacturing and industrial sector. That is the key point. I make it, the SDP makes it, and hon. Members in all parts of the House make it.

Mr. Thurnham *rose*—

Mr. Ashdown: I have a number of points to make. I shall allow the hon. Gentleman to intervene, but that must be the last intervention that I take in this speech.

Mr. Thurnham: The hon. Gentleman makes the same mistake as the hon. Member for Huddersfield (Mr. Sheerman) in thinking that small firms depend on larger firms. The statistics from our major competitors show that it is the other way round, and that larger firms depend on successful small firms. We have only half as many small firms as our competitors.

Mr. Ashdown: The hon. Gentleman is deliberately misreading the figures. Japan and the United States have a much larger small industry sector than we have — I look forward to the day when ours is equally large — and small firms in those countries are an essential part of the economic infrastructure on which larger firms depend. The subcontracting part of the manufacturing sector needs small firms, but those small firms depend on the prosperity of the larger firms. The statistics referred to by the hon. Gentleman prove the exact opposite of what he suggested.

The regeneration of our manufacturing sector is an essential ingredient — no one claims that it is the only factor — in a decent strategy for our economic regeneration. The Minister rightly pointed to the Government's record on inflation. I agree that it is a good record. They have reduced inflation and deserve congratulations, but that compliment must be tempered by setting our record against the performance of our competitors. When the Government came to power in 1979 we had the highest unemployment and the second highest inflation in Europe. We still have the highest unemployment and we still have the second highest inflation. As any small business man knows, inflation in Europe is significantly lower than in this country, and real interest rates in Europe are very much lower.

Deregulation and enterprise are two parts of the same debate. I have no doubt that the Government's moves on

[Mr. Ashdown]

deregulation have been welcomed by small businesses, and I do not wish to diminish the start made by the Minister or the energy that he puts into his work, but the Government's efforts remain patchy. In too many cases the left hand seems not to know what the right hand is doing. For example, the Government's proposals on family credit would dump an enormous new burden on small businesses. Those proposals may be reviewed, and we shall have to wait and see how they eventually come out.

The Government increasingly treat small business men as unpaid tax and social security collectors. That worrying trend hits small firms harder than it does larger companies. The cost of acting as a Government tax collector is proportionately greater for a small firm. There are figures to prove that fact, and I hope that the Minister will produce more figures, because I believe that they will reveal a worrying trend. The National Federation of Self Employed and Small Businesses has wittily said that it seems appropriate that the key Minister involved in this area should be the Paymaster General, because the small business man feels like a paymaster general for the Government.

I am proud to have led my party in its opposition to the Data Protection Act. We were the only party to vote against the Act, and we did so at least partly because it will dump huge new burdens on small businesses. The form that small businesses using new technology have to fill in under the Act is a horrific and leviathan document, which most do not understand. When I filled in my form I had to get consultants to advise me. There has been a proliferation of agencies to assist small businesses.

All too frequently, deregulation has taken the shape of an attack on employment rights. I agree with the hon. Member for Carshalton and Wallington that a closer study of United States' experience would prove valuable. I understand that not one of the deregulation measures in the United States has had anything to do with employment rights. This is an important factor which needs to be taken into account. I accept that there are fewer employment rights in the United States, but we cannot ignore the fact that if new jobs have been created there, it has not been done by an attack on employment rights.

It has been suggested that deregulation has accounted for an upsurge in employment in the United States. I urge the Minister to be cautious about using the statistics in their raw state. I understand that a young person in the United States who has never had a job does not go on the jobs register. In addition, there are hundreds of thousands —perhaps millions—of illegal immigrants in the United States, and whereas those who get jobs are recognised as being in the employment market, those who have no jobs dare not register.

Mr. Michael Forsyth *rose*——

Mr. Ashdown: I hope that the hon. Gentleman will forgive me if I do not give way. I am sure that he will have a chance to speak, and I do not want to take up too much time.

Of all the deregulation measures that the Government have introduced, the one that I cannot understand—it makes no sense in justice or common sense—is the attack on the wages councils. I cannot see that it will create any significant uplift in employment. I do not believe that paying less to people who earn the very low wages that some wages councils have sought to protect will create more jobs. The Government's action is motivated more by ideology than by any other consideration.

Enterprise is the second part of the debate, and I should like to repeat a strategic point to the Minister. I regret that 99 per cent. of the Government's excellent measures for encouraging enterprise are still directed towards new starts. I understand why that is done. The Government understandably want to take credit for the maximum number of new starts. They are the easiest development to measure and to crow about.

However, much of the Government's enterprise policy can be described as the policy of the Cornish wrecker. Lights are hung out on the rocks, but still one third of those embarking on new starts go down. I do not want to diminish the fact that that proportion has been reduced and our record is better than that of the Americans, but each failure is an individual personal tragedy. Not only is a person made bankrupt, but he loses his job and perhaps even his house. It is nonsense to suppose that we could ever ensure that there were no failures, but we must keep working at the problem.

The Government ought to shift the emphasis towards giving advice and ensuring that small firms survive. That would reduce the number of failures and contribute much more significantly to the growth of employment and prosperity. It is at the point of expansion that the quantum leap from one employee to three can be made and significant prosperity can be generated.

I believe that we need a better system of measurement of the reasons why firms fail, and that more Government resources and assistance should be put into that area. If we are under tight budgetary restraints, the resources should be at the cost of employment measures to encourage start-ups. I would not wish to see that, but if that is the choice I hope that the resources will be diverted in that direction.

I shall now deal with VAT, where we come on to the subject of small firms being the Government's tax collectors. I ask the Minister to comment on the often suggested measure, which we might be able to put into practice and to which I know he has given some thought, to eliminate VAT between registered traders. This is an important measure which would, at one bound, reduce the immense burden of paperwork on small businesses.

Inevitably, one is making a number of unco-ordinated comments. I shall now deal with discriminatory discounts. We have talked about restrictive practices. I say bluntly to the Minister that the level of discriminatory discounts now being operated by the larger operators against the small retail shops is a monstrous injustice. For example, Safeways is able to buy in a tin of dog food more cheaply than a small retail outlet can sell it. We have looked carefully at the power of the monopoly seller. We now need to look at the power of the monopoly buyer, because the large retail outlets now command such power in the buying market place that they are able to command discounts that are all too frequently at a cost to the small retail outlet. It is an injustice that is beginning to hit many of our small grocery outlets and the Government will have to take action.

I am aware that we have had the Binder Hamlyn report, but that report was little more than a whitewash. It will be necessary to take action, and it may be that our starting point should be a code of practice. If, in the end, we have to introduce legislation, defective though it might be, like

the Robinson Pasman Act in America, the Government should not shrink from it. In my view, the effect of the monopoly buyer in the market place—monopsony is the correct term—is now becoming so large that it must be tackled.

I shall now deal with the centralisation of finance. I and others are worried about the grip and power that the City of London has over providing finance for small businesses. I remind the Minister that 60 per cent. of all the business expansion scheme funds dispersed in Britain have, I understand, been dispersed to firms in the south-east. A mere 13 per cent.—perhaps the hon. Member for West Bromwich, East (Mr. Snape) will make this point—has gone to the midlands. If one wants to obtain finance for one's company in Britain, large or small, unlike in America or Germany, where there are decentralised banking systems to go to, one must in most cases go to the City of London. In my view, there is a real case to be made for decentralising the financial structure of our country so that small firms can go to somebody who knows and understands their problems, and even perhaps knows their personalities, in order to obtain finance.

I shall now talk about co-ordination. The assistance available to small businesses, especially for new starters, is bewildering in its complexity. Let me remind hon. Members of who are involved in assisting new businesses and new starts today: nearly all county council departments, many district councils, the Manpower Services Commission, the Council for Small Industries in Rural Areas, the Small Firms Service, the urban programme, the Development Commission, local enterprise agencies—I commend them—local enterprise boards, regional bodies, such as the Highlands and Islands Development Board and the Welsh Development Agency, ad hoc groups of business men up and down the country, churchmen, enthusiasts, chambers of commerce, banks and valuable organisations such as Business in the Community. To the person starting out it is a mass of duplication, confusion and, in all too many cases, muddle.

I firmly believe, and have written a pamphlet on the subject, that we need a strategy and framework in which we can co-ordinate the activities in this vital and important sector. In my view, Britain should look towards a national community enterprise agency, something that would co-ordinate with community enterprise units, perhaps positioned at county level, which would deal with the initiation of enterprise, the co-ordination of assistance and the establishment of funding and would be a channel for Government assistance and support. That could be more elegantly expressed as the "one-stop shop", which I believe would draw all the activities together in a much more co-ordinated and effective fashion.

I believe that through these measures we could build a start. It may be defective in places, but and that is not surprising. However, the Government have made an important start. We could establish the partnership which is so essential for the economic regeneration of Britain and which is so lacking at present. It would be a partnership between a Government determined to plan and act to reverse Britain's economic decline in the macro-economic sense and to assist small business men in the micro-economic sense, and business men who wish to create prosperity and employment in their own communities. The establishment of that partnership is the essential task that now confronts us.

11.36 am

Sir John Osborn (Sheffield, Hallam): The Parliamentary Under-Secretary spoke about enterprise and small businesses, and he listed what the Conservative Government have done in six years. That needs to be put on the record. He has spoken about the White Papers dealing, first, with lifting the burden off the shoulders of small businesses and, now, "Building Businesses . . . not Barriers". I believe that what he has outlined gives hope and new opportunities in many areas, including my city of Sheffield.

I was disappointed by the contribution of the hon. Member for Huddersfield (Mr. Sheerman) who described the White Paper as pathetic. I would have been more understanding if he had concentrated on the positive side. He made a plea, although he changed his tune towards the end, for more regulation and controls and then spoke about more training and more research. That would lead me into areas that I deal with elsewhere.

When I was a director of one company in Sheffield and there was an adverse cash flow I had to face decisions about what to cut out. Many other companies in Yorkshire had to face similar decisions. The first thing to cut out was research and the second was training. That was at a time when Labour Chancellors of the Exchequer wallowed in taxing industry and creaming the top off the milk. We paid the price of that in subsequent years, and the Government have had to live through that since 1979.

The Paymaster General and the Secretary of State for Employment had reason to visit Sheffield frequently because the headquarters of the MSC is there and I welcome the fact that my hon. Friend the Under-Secretary who opened the debate will be speaking to business men in Sheffield about business opportunities this July.

There are many struggling small businesses in a difficult environment in a city such as Sheffield. They have been helped by Government policy and there has been correspondence with the Parliamentary Under-Secretary and a number of my constituents about the red tape and burden on established small businesses. Some recent correspondence obviously deals with VAT thresholds on small businesses, a point already made this morning, and I welcome the fact that the Minister will be seeing what people are to do in Sheffield, and I look forward to spending the day with him.

What has happened in Sheffield presents an immense challenge to that city. It may also present challenges to cities such as Newcastle, Liverpool and others. However, there are many people of goodwill, often top executives who have taken early redundancy, who are working to bring Sheffield back to the top again. As the only Conservative Member of Parliament for Sheffield, I am working with them willingly. I ask Ministers for more help for my city.

The debate provides an opportunity to touch on many other issues. The hon. Member for Huddersfield touched on rights, perhaps health and safety at work. I have found that if one industry, one region or one country concentrates on rights too heavily it is not competitive and competitors take business away.

We have touched on the international impact for small businesses and particularly on the scene in Europe. I welcome the reference to the EEC directive. The year 1983 was Europe's year for small and medium-sized enterprises, and it was a Liberal German who initiated the work of the

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Economic Affairs and Development Committee of the Council of Europe of which I am still a member. Paragraph 6 of its resolution says:

"there is still ample scope for action by governments and the competent international organisations in order to meet the specific needs of SMEs and to improve the environment in which they have to operate".

I would have thought that the Government have reacted effectively to that Council of Europe and EEC initiative.

Another aspect that has to be dealt with is the contract of employment. When I was in the European Parliament, I initiated a private Member's Bill, but in the mid 60s, together with the trade unions, I had initiated the first blueprint for a contract of employment. There was the subsequent protection of employment legislation but, by the end of the 1970s, the Labour party chose to destroy my private Member's Bill, at a time when too much protection meant that employers would not take on labour. It must be remembered that when the Labour party was in government unemployment doubled. I know that it has continued to increase since then.

In a league table, 102 major European cities have been dealt with according to their urban growth or decline. This was mentioned in the Sheffield edition of the *Star* last week. Sheffield was rated number 95 in 1984, and if its situation does not improve it could become number 98. That would leave it above only Sunderland, Messina, Belfast and Liverpool. This is proof to EEC Commissioners that it is an area badly in need of their funds, but it has also aroused some hot reaction from the Lord Mayor of Sheffield and other leaders.

I have been a Member of Parliament for Sheffield for 25 years and I have lived there for many more years, and I wonder why Sheffield is now in such a bad position. Nationalisation of steel was a disaster for Sheffield, and accelerated its demise. Part of the problem has been the long existence for over 50 years, with the exception of 1968, of a powerful Socialist council. It has vetted those industries who sub-contract to the city council, but it has been vetting new businesses as to their political acceptability for the city. I now hope that this political vetting will be reduced.

Mr. Sheerman: I may be anticipating some remarks, but is the hon. Gentleman going through his speech without paying tribute to the enormous enterprise initiatives that Sheffield city council has made to help to improve the dreadful unemployment situation inflicted on the city since 1979?

Sir John Osborn: I thank the hon. Member for that intervention. This is what I shall speak about in the next five minutes. I shall try to cover the invitation adequately. I hope that I shall not be on my feet for too long.

One of the snags has been high rates in Sheffield. I spoke in a debate on the rate limitation orders and said that 48 per cent. of firms questioned by the chamber of commerce said that high rates were the cause of their difficulties. Traditional heavy industries have been heavily hit, with the result that businesses and residents have chosen to leave the city and avoid the rates bill, so that the declining rates base hits even harder those who are left behind. As recently as January, there was a scare in the newspapers of a 71 per cent. rate increase. That has now been reduced. One article dealt with an internal report by the council's budget chairman and deputy leader. It lambasted the Socialist leadership for not facing up to the realities of the situation, but continuing to spend, spend, spend when there was not enough money. There has been a division in the Labour-controlled city council.

There is still resourcefulness in Sheffield that will overcome the exceptional difficulties. Individuals, local companies and councils are involved. I sense a willingness to co-operate even across political boundaries. My hon. Friend mentioned the industry year, sponsored by the Royal Society of Arts, which has had my full support. It has been extremely successful in the city. The chamber of commence and the Industrial Society commissioned a seminar in the early weeks of this year, and one of its outcomes has been an awareness of local industry, and industry in general, by the people to a greater extent than has ever happened before. At one working lunch sponsored by one company, masters, headmasters, managers and trade union leaders were all at the same table. That has resulted in works visits taking place this summer.

Another activity that bodes well for the city's future is the encouragement of links between industry and education in a city where the Socialist city council has in the past banged on, presenting a doctrinaire picture of management as being intent on exploiting the worker. Local businesses have been quick to realise the opportunity for showing young people, through their experience, that this is not the case. The success of the venture Young Enterprise, mentioned by my hon. Friend the Minister, is remarkable. Some of those people will be visiting the House of Commons soon. Local companies are ensuring that people get some idea of the business ethic and what goes on in business. Sheffield has been helpful towards young persons setting up their own businesses.

I hope that my hon. Friend the Minister will see the activities of Volserve, the community programme agency. It has brought together people with experience of insulation, draught proofing and home decorating to try to help them set up their own businesses. My hon. Friend will be meeting the chamber of commerce, which set up its Springboard project two months ago, in association with the MSC. It is helping to assess business potential. Assuming that it is found to be feasible, Springboard will give ongoing moral support and guidance, while the individual receives funding under the enterprise allowance scheme.

The local enterprise agency has set up the Sheffield business venture. As I am the only Sheffield Conservative Member of Parliament, many problems have been brought to my notice, and to be able to send small business people struggling in established or new businesses to an agency where they can get help is an example of the type of help that the Government have been able to give. The city council has an economic development and advisory committee, a meeting of which I should have been attending this afternoon. It has made good suggestions and bad suggestions, but one of the means of attracting the expanding industry and commerce is to establish a one-stop bureau staffed by council personnel from the relevant departments. Again this is another move by the city council.

The other side is the fact that there are more research associations in the city. Surely more than the science park can be given a boost. I have been in touch with my hon. Friend the Under-Secretary about a technology park

alongside the polytechnic. I hope that he will look at that. Only two months ago, my hon. Friend the Member for Chertsey and Walton (Mr. Pattie), the Minister for Information Technology, came to the university to set up an institute of information technology. All these ventures have started, but it will take time for them to develop. A city can do much for itself but it needs encouragement from outside and from Government.

Following the Green Paper "Lifting the Burden" there has been the White Paper. We must accept that every region has its own problems. If after this debate there is greater hope that the trade unions, employers, Government and Opposition will all learn to work together to put communities back on their feet, then something will have been achieved.

When I was a boy and when I first entered industry, business was carried on by large companies. History might be repeating itself. For centuries we have had the "Little Mesters" of Sheffield, and in 1634, if I remember the date correctly, the Cutlers Company was founded to support small businesses. My great grandfather established what became a big business, and both he and my great-great grandfather were merchants and had small businesses.

History has its cycles, and for that reason a city like Sheffield will have once again to build up small businesses. There must be no illusions: economic circumstances are making the growth of the small business more important in Europe. Chapter II of the White Paper, entitled "The Next Steps", deals with:

"The machinery established to monitor progress on deregulation—"

I welcome that. It goes on:

"The need to assess regulations in this way should gradually change the context in which decisions are taken and permeate the machinery of Government".

That is a reference to the enterprise and deregulation unit and is welcome. The chapter goes on to deal with communications with business. Both White Papers have proved complex to even the CBI and to Chambers of Commerce, but not to secretaries and legal and financial experts in the companies that make up their membership.

I welcome the illustrated booklet. For the self employed the complexity of life is great. I started a small business with an energetic parent company some 30 years ago. I had the advice of secretaries and financial directors in the parent company and that is the sort of advice small businesses want now. The White Paper goes on to acknowledge that the task of implementing the Government's many proposals will be a major one, and hon. Members should work with my hon. Friend the Minister who is responsible for small businesses, who has shown enthusiasm and courage. I look forward to welcoming him to Sheffield so that he can see for himself what the city is doing, and outline to business men the next steps.

11.54 pm

Mr. Peter Snape (West Bromwich, East): The hon. Member for Sheffield, Hallam (Sir J. Osborn) will forgive me if I do not linger too long on the problems of his great city. He would not expect someone born on the other side of the Pennines to spend too long in his part of the world anyway.

The hon. Gentleman's outline of the problems facing Sheffield was little more than a ritualistic attack on the city council. By implication, he said that it is the high rates in Sheffield that have wrought the sort of industrial damage that we see in that once great city. No one likes paying rates, and any business man would say that he would prefer to pay less in rates. It is generally accepted that rates form a marginal part of the outgoings of a business. If high rates are the sole reason for the industrial ravages of Sheffield, why is it that unemployment in areas like the south-west, which are traditionally low-rated areas and where traditionally and regrettably the councils are not controlled by the Labour party, unemployment is as great as it is anywhere else?

Mr. Cash *rose*

Mr. Snape: The hon. Member for Stafford (Mr. Cash) has just returned to the debate. He has intervened on a number of occasions, and I have no doubt that he will try to intervene again. I have a recurring nightmare, having spent a night last week listening to the hon. Gentleman, of being strapped in an aeroplane with the light on which shows that I cannot leave my seat, and sitting next to me is the hon. Member for Stafford clutching a copy of "Erskine May". I would be grateful to the hon. Gentleman if he would restrain himself for the next few minutes.

The Minister represents a Lancashire constituency, and I compliment him on that. Perhaps it would be an apt metaphor to say that he wove a fairly elaborate tapestry with some fairly coarse cotton. We should not allow his loyalty to the Government and the quality of his briefing to blind us to the fact that his material was thin stuff. Like other members of his party, the Minister takes the view that Governments cannot do very much. Speeches by Government Members would lead one to believe that there is not much point in taking part in national elections because the activities of the Government are peripheral, except of course when a Labour Government are in power. All the economic ills of the nation are held to be the responsibility of the last Labour Government and the result of the incompetence of their policies.

Over the past couple of years a not very subtle sea change has taken place. The Government are playing the red card for all they are worth. They say that it is the terror and loathing of the next Labour Government that is causing all the damage to British industry and that they themselves are responsible for none of its ills. Within their first few weeks of office the Government virtually doubled value added tax. That had a serious impact on the profitability of small businesses in particular and industry in general. During their term of office the Government have presided over the highest interest rates in Britain's history. Does that not have more than a marginal impact on the profitability of large and small businesses? The Government have presided over — or perhaps just watched, as they do not believe in interference — the wildest fluctuations in the rate of exchange in British history. Have none of these things played more than a marginal part in the virtual collapse of industry in the United Kingdom?

Like other Ministers charged with the unfortunate task of speaking from the Dispatch Box, the Minister said that many jobs have been created. The hon. Member for Carshalton and Wallington (Mr. Forman) spoke about the thousands of new jobs that have been created. Perhaps that is thanks to the policies of the Government. Perhaps their policies do have an impact on job creation. That is what the Government tell us, but it is only in areas of

[Mr. Snape]

unemployment that their policies have no impact. When asked where these jobs were, the hon. Member for Carshalton and Wallington could not tell us. I do not know either, but I am prepared to accept the figures that the Minister trotted out. I know where jobs are not being created. They are not being created in my constituency, and not in the borough of Sandwell or in the west midlands, despite what the hon. Member for Stafford says.

The statistics for the west midlands show that the number of people in employment in June 1979 was 2,241,000. The latest month for which I have figures, and I have no reason to think there has been an increase since then — they are more likely to have decreased — is December 1985. The number of people in employment in the west midlands at that date was 1,960,000, a drop of 281,000. That ignores the sea change that has taken place in the type of job that we are talking about. There is a net and not insignificant overall reduction in the number of people in work in what used to be regarded as one of the richest parts of the United Kingdom.

The west midlands traditionally had lower unemployment than the rest of the country, but the reverse is now true. Outside Northern Ireland, we now have almost the highest rate of unemployment in the United Kingdom. Is that something for which the Government or the Conservative party bear no responsibility? Has there been this enormous decline in employment just because of world economic conditions? The bulk of the decline between June 1979 and December 1985 in the west midlands and, no doubt, elsewhere has been in manufacturing industry, in which no fewer than 278,000 jobs have disappeared since the Government tragically, for the future of the nation, took office in 1979.

Mr. Cash: I am grateful to the hon. Gentleman for giving way. Unemployment in the west midlands region is of course serious, and the current level is about 15·2 per cent. Stafford is an industrial town. That is why I take exception to what the hon. Gentleman has said. The unemployment rate there is lower than the average for the region. There are some lessons to be learnt from Stafford. Although we have lost jobs in heavy engineering and major industries, we have kept unemployment down. That has much to do with the work force, enterprise and small businesses.

Mr. Snape: I am grateful to the hon. Gentleman. I noticed that his intervention was more general than specific. He will know the exact rate of unemployment in his constituency—at least I hope he will. I could hazard a guess, which would be fairly informed, as I spent some time in Stafford canvassing for one of the hon. Gentleman's opponents during the by-election campaign. Regrettably, he was unsuccessful—regrettable, that is, from a political point of view. The hon. Gentleman will understand what I mean. My guess is that the rate of unemployment in Stafford is far higher now than it was in June 1979.

Mr. Cash: Not so.

Mr. Snape: Well, it would be interesting to hear what the figures are.

Mr. Cash: It is not significant.

Mr. Snape: We are backpedalling pretty desperately before we get on our feet, if such a thing be possible. If he succeeds in catching your eye, Mr. Deputy Speaker, the hon. Gentleman will be able to tell the House what the rate of unemployment in Stafford was in June 1979, compared with the latest date for which figures are available. Even if the increase if lower in his constituency than in the rest of the west midlands, the fact remains that the rest of us are not so lucky.

In the Sandwell and Dudley travel-to-work area, there were 46,818 unemployed people in May. In the borough of Sandwell alone, more than 28,000 men and women have lost their jobs. I have mentioned the devastation in manufacturing. As my hon. Friend the Member for Huddersfield (Mr. Sheerman) said, it is no good the Minister glibly assuring us that there are alternative jobs for people who formerly worked in manufacturing industry.

In Sandwell we would take some exception to the inference that we should confine our economic activities to the production of hot dogs for American tourists or postcards for passing Japanese visitors. We do not have too many of either. Without the manufacturing capacity that we once had in Sandwell, the nation is poorer. It is tragic for the individuals concerned, but the nation suffers. We have not stopped buying the things that we used to produce in Sandwell — we merely buy them from elsewhere.

Mr. Michael Forsyth: Whose fault is that?

Mr. Snape: If the hon. Gentleman has something to say, he ought to get on his feet and try to say it.

Mr. Forsyth: I am grateful to the hon. Gentleman for giving way. Whose fault is it that we buy such goods from other countries? Is it not the result of the restrictive practices and behaviour of trade unions during the past two decades, which he has supported?

Mr. Snape: It is my own fault. I should not allow someone with such an obviously unformed mind to participate. Is it the trade unions in areas such as the south-west, where unemployment is tragically just as bad as in my constituency, who are responsible for job losses there? Is it the trade unions in the tin industry in Cornwall——

Mr. Forsyth: Yes.

Mr. Snape: The hon. Gentleman says yes. I withdraw the word unformed as a description of his mind. Malformed is probably a better description. I shall waste no more time on that.

Mr. Corbyn: Perhaps I can help my hon. Friend, as I have here unemployment figures by constituency and by local government area. On 10 May 1979, 1,689 people were registered as unemployed in the local government district of Stafford. That figure rose to 4,719 by 14 March 1985.

Mr. Cash: The hon. Member for West Bromwich, East (Mr. Snape) said 1983.

Mr. Snape: No, I did not. I said 1979. The Conservative party took responsibility for the nation's affairs, or not, depending on which member of it one listens to, in June 1979. It is not unfair for us to compare circumstances then with now. It was not my party that had an expensive advertising agency to coin the slogan, "Labour isn't working". I do not know whether those actors appeared

on the main street of Stafford as they did in West Bromwich during the 1979 general election campaign, but we do not need actors in Stafford, West Bromwich or Sandwell now if the Conservatives want to repeat such a campaign.

We are in a way fortunate to be able to discuss enterprise and deregulation today. I understand from my colleagues in the shadow Cabinet that the motion was originally entitled "Action for Jobs" but somebody pointed out to the noble Lord who is responsible for these matters that, by giving the debate such a title, he might, as he habitually does, be shooting himself in the foot, so the title was changed. We can now talk about deregulation as well.

Some of the more simple minds on the Conservative Benches—we have not heard too much from too many of them other than by way of intervention—talk about privatisation and deregulation with almost as much reverence as some members of far Left splinter groups talk about nationalisation.

Mr. Forsyth: The hon. Gentleman should look behind him.

Mr. Snape: I do not have to if I can look at the hon. Gentleman, because nothing behind me would equal what I am looking at opposite me for simple-minded simplification.

The benefits of widespread deregulation ought to be examined. That is one of the things about which we are supposed to be talking. I have the honour to have some responsibility on behalf of my party for transport matters. Conservative Members worshipped at the altar of transport deregulation for some years. They started in 1980 with the long-distance coach business. They said that the restrictions on that business were unnecessary, so they virtually wiped them out overnight and almost completely deregulated the industry.

Since the passage of the Transport Act 1980, there has been a considerable increase in long-distance coach mileage, but almost exclusively to and from this city. That has brought problems such as unrestricted coach access to any large city. Many continental cities that are not controlled by Socialist administrations have had to act to prevent the tidal wave of long-distance coaches engulfing them.

One of the side effects of the 1980 deregulation has been the appearance of far more coaches in London. Moreover, the facilities available to them are not very good. The National Bus Company, to name but one, was one of the first to say that. Moreover, that well-known Left-winger—at least in the 1930s—Sir Alfred Sherman, has always complained about the number of coaches passing the end of his, I believe, very fashionable street near Victoria coach station.

The Government introduced deregulation overnight in 1980 without giving it much thought, but it has not been without its peripheral effects on the coach business, and particularly on the cross-country coach business. Most of the operators that are left have had to withdraw their coaches from long-distance cross-country routes in order to run coaches to and from London. The NBC has also had to withdraw them from its stage carriage services.

I readily concede that there were some benefits to the industry from that Act, but the NBC now covers about 20 million fewer rural miles than prior to that Act's introduction, and employs about 15,000 fewer people than before. That may give some Conservative Members enormous satisfaction, but deregulation has also had an effect on the coach-building industry.

In their rush to deregulate, the Government never thought to consult British coach builders about their capacity to provide more long-distance coaches. Consequently, our roads and motorways, which are already pretty crowded, have seen the addition of hundreds of foreign-built long-distance coaches. The hon. Member for Stirling (Mr. Forsyth) holds his head in his hands. Presumably he is in favour of that.

Mr. Michael Forsyth *rose*—

Mr. Snape: I have learnt my lesson about giving way to the hon. Gentleman. No doubt he will catch your eye, Mr. Deputy Speaker, in due course. The directors of Metro-Cammel or of Dennis—to name but two coach firms—could put the hon. Member for Stirling right about the impact of that legislation on our bus and coach building industry. Once people had rushed in to buy foreign-built coaches, the market more or less collapsed. Virtually no British operator has bought a new coach or stage carriage since that deregulation measure was first published. Was that the Government's intention when they decided on deregulation?

The Government's deregulation policy has had a serious effect on other parts of our industry. The Government admire what goes on in the United States. Some might say that there is more than admiration in the relationship between the Prime Minister and the President of the United States. It is almost hero worship—*[Interruption.]* It is certainly not heroine worship. It is a one-way sort of worship. American-style deregulation has been adopted in respect of British aviation, and early on we saw the effects of such deregulation. In the United States there is an enormous market, with many customers and many successful, and some not so successful, airline companies. In Europe and in most of the world, airlines cannot compete in the same way. The market is quite different. Poignantly, the first casualty of airline deregulation was one of the Prime Minister's new knights, Sir Freddie Laker. He discovered that the world of deregulation was not quite as profitable as he had thought.

Deregulation and the encouragement of small wharves has meant about 30,000 lost jobs in the docks. No doubt that pleases the Conservative party. It obviously thinks that a good dose of unemployment is needed there, but as recently as 1982 one of our strategic industries, the shipping industry, was praised by the Government Front Bench for its efforts during the Falklands war. About 30,000 seamen have lost their jobs since the Conservative party took office, and about 1,000 ships have been withdrawn from service. The British maritime fleet is as small now as it has ever been in modern times. Deregulation has not brought too many benefits to the shipping industry, and I only hope that some of the lessons have now been learnt.

The Minister made something of training for our young unemployed. I should have thought that both sides of the House were united on the necessity to provide adequate training for our young unemployed people, but the Government show no sign of doing anything apart from paying lip-service to that principle. Their latest palliative for the young unemployed is known as restart. That might

[Mr. Snape]

apply to the Government's policies, because a good restart is what is needed there. The scheme is intended to be nationwide.

I shall quote from a Manpower Services Commission course booklet on restart. It says:

"Many people develop a negative attitude to unemployment".

The Government had that sort of attitude to unemployment right from the start. The Manpower Services Commission appears to believe that it now permeates the ranks of the unemployed, but that is a somewhat heartless and out of touch view, because the vast majority of the unemployed are desperate for a job of any description.

The booklet does not quite go along with what the Minister had to say about training. It says that the restart scheme initially involves a five-day course at a training centre, during which the unemployed must discuss their attitudes and feelings about being without work. In the blunt speaking part of the country that I have the honour to represent, that could no doubt be disposed of fairly quickly. Next, the unemployed should do "confidence-building" exercises. That is a bit steep coming from this Government. No one has done more than they have to undermine the confidence of the unemployed. Perhaps the unemployed are supposed to do mental press-ups to make them feel better. Next, it says that the unemployed should set themselves "goals". That is a bit like Bobby Robson's pep talk the other night, but he was more successful than the Government look like being.

Finally, the Manpower Services Commission says that they should draw up a checklist of personal strengths and weaknesses. Perhaps the title of the scheme should be "Teach Yourself Psychology".

The young unemployed are supposed to attend the training centre for one day a week for certain periods. The MSC states that newspapers should be made available. It does not specify whether they should be Murdoch newspapers or others. In any event, it says that newspapers should be made available and that help be provided in letter writing with facilities such as photocopiers being on hand. The idea and purpose of the visits is that the trainees should practise writing letters in their quest for a job.

Perhaps I am being unfair, and perhaps this might be a job-creation exercise. I have no doubt that Basildon Bond and other notepaper manufacturers will benefit. The supply of photocopiers might benefit 3M. This is an example of the training that the Government will give. It is an example of the acquisition of skills that the Government will make available to the unemployed. Colleges throughout the country where the courses are to be held are already being asked to prepare their budgets. They are told to make estimates of the number of young people who will be staying for tea.

Mr. Prescott: Tea and sympathy.

Mr. Michael Forsyth *rose*——

Mr. Snape: No. My hon. Friend is being too kind. Tea and cynicism is a more apt description of the exercise. With some degree of trepidation and reluctance, I give way to the hon. Member for Stirling.

Mr. Forsyth: Has the hon. Gentleman studied the results of the pilot schemes which have been carried out by the Government to help the long-term unemployed? Has he seen the figures, which show that about 90 per cent. of these people are helped either in obtaining employment or in finding a place in training? Does he not welcome that? Is he not being a little cynical about the Government's efforts in this direction?

Mr. Snape: The hon. Gentleman is the one who is being cynical. He knows full well that the "jobs" that young people find are mainly community scheme jobs. They are not jobs in the accepted sense of the word. They are temporary jobs. I can imagine a similar scheme being instituted in an eastern European country, and if it were the hon. Gentleman would be the first to complain about people being directed towards the sort of work that is felt to be good for them.

Mr. Prescott: Freedom!

Mr. Snape: It seems that the Conservative party thinks that freedom should benefit only those who have proved by their own success or income that they can handle it properly.

The cynicism that lies behind the Government's so-called schemes for young people has led, and is leading, to the economic and unemployment tragedies that we are seeing in the west midlands and elsewhere. The one small ray of sunshine is that some Conservative Members will have the benefit shortly, we hope, of learning just what it is like to be unemployed. It will be a long time before the people of the west midlands forget the experience of two successive Conservative Governments.

12.24 pm

Mr. Michael Forsyth (Stirling): I am grateful for the opportunity to take up some of the remarks of the hon. Member for West Bromwich, East (Mr. Snape). When he was talking about the success of the Government's policy of deregulation of long-distance coaches, it was significant that he did not once mention the consumer. He did not say that people are able to journey across the country now at substantially reduced fares and that the range of services has been greatly extended.

Mr. Snape: I am sorry to interrupt the hon. Gentleman so early in his speech, but he must get this right. People are not able to journey across the country in the way that he describes. Cross-country long-distance coaches have virtually disappeared since deregulation. I accept, however, that the public are able to journey much more easily to and from London, but that is a different matter.

Mr. Forsyth: I accept that the effect of deregulation has been a substantial increase in the number of services to London. That increase is a result of the demand from consumers. People want to travel to London at prices that are much lower than those which prevailed before the Government's efforts to deregulate long-distance coach travel. Before that it was impossible for them to travel by coach so cheaply. The only other option was to use the overpriced rail system, which was not subject to competition and was weighed down with restrictive practices and overmanning, on which the hon. Gentleman did not lay enough emphasis. It is true that some cross-country coach services have been reduced. That is because coaches have been taken off those routes to meet demand on the London routes.

I found it interesting when the hon. Gentleman said that there are many foreign coaches on our roads and that the British coach-building industry was not able to supply

British-built coaches because the Government had not warned it that demand for coaches would increase. At the same time he was arguing that there were fewer drivers in employment. I have yet to see coaches being driven along motorways without drivers at the wheel. I wonder how the contradiction is resolved.

The significant feature of the hon. Gentleman's speech—this was clear also in the speech of the hon. Member for Huddersfield (Mr. Sheerman)—was the enduring myth in British politics that it is possible to create additional employment through additional Government spending. The extraordinary thing about this myth is that it has managed to survive for so long and that Labour Members should find themselves going along with it in the absence of any evidence to support it.

In this respect, the speeches of Opposition Members have two main themes. First, they contend that it is possible to create jobs by direct subsidy to enterprises. I suppose that we must think of the De Lorean model, and Linwood and Invergordon in Scotland.

Mr. Sheerman: What about Rolls-Royce and Leyland?

Mr. Forsyth: Jobs in Rolls-Royce are not being created by direct subsidy. I agree with the hon. Gentleman in respect of British Leyland because the Government have put £1·4 billion into it. One must ask how many jobs have been destroyed in the private sector and elsewhere in meeting that bill.

Mr. Sheerman: The hon. Gentleman is urging the Government to pull the rug on all state aid and subsidy to all industries. Is that what he is saying? Does he realise the impact that that would have in the west midlands, which has already been affected disastrously by unemployment, especially in the car industry, and specifically at British Leyland and Rolls-Royce at Derby? Throughout the country firms have been helped positively in the past by previous Governments, and this has created and maintained jobs.

Mr. Forsyth: The hon. Gentleman must not try to put words into my mouth. I am not urging the Government to withdraw all state support as he suggests. I am merely saying that it is a delusion to believe that it is possible to create jobs by direct subsidy. The hon. Gentleman makes the point for me extremely clearly, for he takes no account of the fact that the money that Governments provide has to be found from somewhere. It is found by taxing free enterprise in the private sector, and if that is taxed we pre-empt resources which would otherwise be employed in providing jobs within the private sector.

Mr. Sheerman *rose*—

Mr. Forsyth: If the hon. Gentleman will allow me to develop my argument, I shall give way to him willingly.

No account is taken by Labour Members of the fact that the levying of taxes on small firms and private enterprise generally will mean that their prices will be forced up and they will become less competitive. They will have less money to invest in developing and expanding their businesses. There will be less demand within the market place and we shall become less competitive as a nation. The hon. Gentleman must answer that point.

Mr. Sheerman: Does the hon. Gentleman understand that the largest charge on public expenditure and on the taxpayer since the Conservatives came to office in 1979 has been the massive and wasteful cost of unemployment—the massive dole queue? All our revenue from the North sea has been spent on that. Would it not be much better, in terms of value for money, to put money into productive firms to keep them going and get them over a difficult patch?

Mr. Forsyth: The hon. Gentleman is perfectly correct in pointing out that the largest increase in Government spending has been on the social security budget. Indeed, it has increased by more than 25 per cent. in real terms. It was gratifying to see the hon. Gentleman make that clear to the House. The largest proportion of the expenditure has gone on increasing pensions, for which the hon. Gentleman gives the Government very little credit.

Mr. Sheerman: Do not be silly.

Mr. Forsyth: The largest increase in the social security budget has been for the provision of pensions. The hon. Gentleman made a further mistake, which takes me on to the more convincing and sophisticated part of the argument. He said that it is possible to create employment by increasing public expenditure on the infrastructure—roads and construction. The hon. Gentleman made that point by way of intervention. He argued that if we spent the money on extra building, roads, sewers—the infrastructure—it would create employment and provide savings in that section of the social security budget devoted to unemployment benefit. I think I am right in saying that that was the substance of the hon. Gentleman's argument. It is a complete delusion. His argument presupposes that the extra jobs created in the construction industry, the building of sewers and so on, will be available to those on unemployment benefit.

The experience of both Labour and Conservative Governments who have tried to do that is that large sums spent on capital projects do create a massive demand for workers in the construction industry, but that, on the whole, the demand is for skilled labour. We are talking about creating jobs in particular pockets of the country for those who are unskilled. If the economy and the system are so rigid that workers are unable to move around the country—for example, because of rent control, which the hon. Gentleman supports—high demand for labour is created in some sections of the country at the expense of others, as well as massive distortions in the rest of the economy as false signals are set up by artificial demand.

The most damning aspect is that when roads are finished and sewers are ultimately repaired, the jobs will no longer be available for those brought off unemployment benefit. *[Interruption.]* The hon. Member for Huddersfield laughs, but that is the difficulty. Jobs created by public spending on the infrastructure last as long as the money goes into providing for the project. Jobs created in the free enterprise sector, based on goods and services which are in demand and for which there is a ready market, are not only secure in the long term but allow the creation of further jobs as those enterprises expand.

Mr. Nick Raynsford (Fulham): Will the hon. Gentleman explain why jobs in housebuilding and construction in the public sector are not ongoing jobs, whereas jobs in the private sector housing and construction business, according to his analysis, are? Does the hon. Gentleman accept that, during the lifetime of the Government, housebuilding has fallen to the lowest level recorded since the end of the war, purely as a result of cuts

[Mr. Nick Raynsford]

made by the Government in the public sector house building programme? Does the hon. Gentleman recognise that the enormous unemployment in the construction industry could be tackled substantially by way of quick action to build new houses and to renovate the enormous number of houses in poor condition?

Mr. Forsyth: The hon. Gentleman and Labour Members are obsessed with the public sector and public sector spending.

Mr. Sheerman: No. Stimulate both.

Mr. Forsyth: I give the hon. Member for Fulham (Mr. Raynsford) credit for not going down the road taken by his colleagues and talking about infrastructure projects. He seized on housing repairs. Certainly, in that area the cost per job is lower. Therefore, in terms of the public money put in, more jobs will be created. The hon. Gentleman said that we have the lowest house building programme ever, but he does not take into account the dramatic expansion in the private sector. The hon. Gentleman asked me about the difference between public and private sector housing. It is simple. Private sector housing is funded out of private money. Public sector housing is funded out of public money. Public money must be raised by way of taxation. That taxation pre-empts resources from the private sector which are invested by the private sector far more efficiently than public money which is directed by politicians, committees and bureaucracies. Private money invested in the economy is far more productive, in terms of creating jobs and wealth — the multiplier to which the hon. Member for Huddersfield referred — than public sector money. That is the difference.

Mr. Raynsford *rose*——

Mr. Snape *rose*——

Mr. Forsyth: Perhaps the hon. Gentlemen will allow me time to continue. I have been very generous in giving way and I should like to deal with the point that I am trying to make.

Job creation with public money is a high-cost approach and is at best marginal. It is short-lived. It does no one any favours. If Labour Members are concerned about that, they should look at what is happening in their constituencies. If they cannot see what is happening in their constituencies, they should come to Scotland — to Bathgate, Linwood and Invergordon — to see the social misery that has been created by Conservative and Labour Governments in trying to create jobs by pumping in money and giving subsidies. Large enterprises, such as British Leyland, move in and attract people to the area. Then sooner or later they find that because they are located in a disadvantaged place in relation to the real market, they have to close. The subsidies cannot sustain them. People are left, beached like whales, without any prospect of employment.

Mr. Snape: Forgetting British Leyland, which I have no doubt the hon. Gentleman would like to do, will he tell the House whether he supported his Government's desire to renovate private sector housing? They drastically increased public funds for the renovation of privately owned housing. Does the hon. Gentleman agree that that legislation actively assisted private companies? Did he support its restriction and virtual abolition within two years by his Government?

Mr. Forsyth: The hon. Gentleman must not muddle two things.

Mr. Snape: Why not? The hon. Gentleman has managed to do so.

Mr. Forsyth: No. It may well be that, in terms of the Government's housing policy, it is desirable to encourage private money to be invested in the rehabilitation of properties. The hon. Gentleman must not confuse that policy with a policy of job creation. I am talking about employment. Spending large amounts of public money is not the most efficient way to create jobs. It may well be that a grant system is a good way to improve housing, but the two policies should not be confused.

Mr. Snape: Did the hon. Gentleman support it?

Mr. Forsyth: I certainly supported the temporary introduction of the 90 per cent. grant levels. That was a successful policy. The Government, having sown the seed, were right to reduce the level, because the activity had begun.

It is unfortunate that the hon. Member for Yeovil (Mr. Ashdown) is not present.

Mr. Gerald Howarth (Cannock and Burntwood): Does my hon. Friend agree that under the Socialist Government the amount of funding available——

Mr. Snape: The hon. Member for Stirling (Mr. Forsyth) is grateful to the hon. Gentleman.

Mr. Deputy Speaker (Sir Paul Dean): Order. There are too many sedentary interruptions.

Mr. Howarth: Labour Members obviously had a tiring and emotional night last night.

Does my hon. Friend the Member for Stirling (Mr. Forsyth) agree that the last Labour Government were so concerned to help in the provision of renovation grants, and so on, that they managed to provide about £92 million? That figure increased to more than £500 million under a Conservative Government.

Mr. Snape: What is it now?

Mr. Forsyth: I am grateful to my hon. Friend. In almost every aspect of policy where the Labour party attacks the Government — whether it is spending on the Health Service or help for pensioners, the unemployed, education or, as my hon. Friend pointed out, housing — the Government's record is far better than the Labour party's. We have invariably increased expenditure and improved performance. The Labour Government so financially mismanaged the country that, in the hands of the International Monetary Fund, they had to introduce real cuts in many of those areas.

United States experience is a key example that we should follow. Employment during the 1970s grew by about 26 per cent. compared with a United Kingdom figure of 2 per cent. It is significant and symbolic of the Opposition's negative attitude, endorsed by the hon. Member for Yeovil, that they constantly harp on about unemployment when they should be talking about employment and the way to create new jobs. Because the Opposition are so tied to the trade unions for support and succour — and must worship at that altar — they are

obsessed with large, unionised enterprises which have nothing to offer this country in terms of employment and growth. That has certainly been experienced in the United States. During 1981 to 1983 the 500 largest companies shed 3 million jobs — over the decade the figure is between 4 million and 5 million — whereas 20 million new jobs were created exclusively in the small business sector.

Opposition Members who argue that large enterprises must flourish and be successful in order to keep the small businesses going should study the United States economy, and other economies, where they would find that that is not the case. In the United States, small businesses are now responsible for 38 per cent. of the gross national product. In the service sector, which is the largest growing sector, 90 per cent. of new jobs are in small firms. Surely the real challenge in creating new employment lies in the expansion of existing small firms and the creation of further small firms.

I welcome the Government's attempt to establish an enterprise culture, which is central to meeting our obligations to employment and creating the social welfare conditions that Conservative Members want. However, having listened to the catcalls and the negative attitude of Opposition Members, I am concerned that the Government's task may prove greater even than the energy shown by my hon. Friend the Minister. It is a matter not of deregulation and creating the right climate for competition and enterprise to survive, but of getting into our society an understanding of the ways in which wealth is created. Rather than treating entrepreneurs as second-class citizens — and there is still a feeling that they should be using the tradesman's entrance — they should be revered, because we depend on them for the quality of life to which my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) referred.

Few Opposition Members have tried to get people to set up in business. If, as an exercise, they did, they would quickly learn that it is rather like surmounting an obstacle course, despite the many measures introduced by the Government to make life easier. As Conservative Members recognise, it is not sensible for the time and energy of business men, which could be devoted to selling their goods and services, to be diverted into the minutae of regulation and form filling.

There is also a role for the schools, which are not doing enough to create an enterprise culture. Indeed, many aspects of the curricula are positively anti-capitalist. There is still an anti-capitalist version of history, where the industrial revolution is portrayed as a period of great poverty and deprivation. The reality is that while conditions were considerably worse than they are today, by our standards, they were considerably better than those achieved by previous generations within the agrarian and feudal economy. The reality is that the industrial revolution liberated people. It improved their standard of living and resulted in an upward mobility in society, which was impossible for all generations before that.

Mr. Raynsford: There has been some discussion in another place recently about the importance of religious education. How would the hon. Gentleman reconcile the advancement of the precept,

"Lay not up for yourselves treasures upon earth",

with the views that he has been putting forward about the need to encourage enterprise in schools?

Mr. Forsyth: The hon. Gentleman's smugness is appalling. Has he not heard of people such as Andrew Carnegie? Is he not aware that some of the great charitable works that have been carried out in this country and in the United States are the results of entrepreneurs? *[Interruption.]* The hon. Gentleman has never heard of Andrew Carnegie. Has he not heard of Lord Nuffield? Perhaps William Morris is the name that he will find easier to grasp. The hon. Gentleman does a great disservice to the many wealth creators throughout history and today who have played a significant part as charitable benefactors.

Mr. Cash: Will my hon. Friend reflect on the fact that it was the Quakers in the mid 19th century, many of whom Opposition Members would admire, and who deserve the admiration of our generation, who built up both enterprise and the sense of genuine concern for fellow people? Frequently, it was the Quakers who set up businesses of the type that my hon. Friend mentioned. They were and they remain highly successful.

Mr. Forsyth: I am grateful to my hon. Friend. He is right. Indeed, as a Scottish Presbyterian, I agree with what he said about the Quakers.

The values of thrift, enterprise and hard work are central to the small business culture. The Church has prospered on the back of the free enterprise system. The systems of government and the ideology to which Opposition Members are wedded have resulted in the destruction of the Church and religion in many countries, including the Soviet Union. But, of course, Opposition Members distance themselves from Socialism in practice. The difference is that we in the Conservative party can embrace capitalism in practice and point to the success of capitalist countries in meeting the objectives to which Opposition Members pay lip service.

I say to my hon. Friend the Parliamentary Under-Secretary that we need to go further. We must make it easier for small business men to transfer capital and retain profits. I welcome the measures that have been taken — action on capital transfer tax in the Budget and the gradual reduction of corporation tax. I think it was my right hon. Friend the Prime Minister, before she became Prime Minister, who said that capital transfer tax could destroy a medium-sized family business in two generations.

There are still some difficulties in getting self-employed status. I know that my hon. Friend the Minister will do everything possible to persuade his colleagues in the Treasury about the importance of taking action on that matter. We need a clear objective test for self-employed status. If we can increase the numbers of people who can be self-employed, that will enable employers to take on labour without having to worry about whether it will take them over the VAT threshold and about being locked into expensive and burdensome employment protection laws. It could enable hundreds of thousands of people to be employed at lower cost without lowering wage levels. That should be a priority.

I have no doubt that Opposition Members will refer to massaging the figures, but why, for goodness sake, when calculating the unemployment figures, is no account taken of the large numbers of self-employed people in Britain? They do not exist in the figures and that is a major disadvantage.

[Mr. Forsyth]

Self-employment in the United States is rising 50 per cent. faster than paid employment. We could mirror that success. In the United States self-employment accounts for one-tenth of new jobs.

The hon. Member for Huddersfield seemed amused when I mentioned Italy. He offered to conduct the remainder of his speech in Italian, but said that he did not want to be associated with the Italian experience.

Mr. Sheerman: I hope that the hon. Gentleman does not intend to misinterpret my remarks. I said that I did not look to Italy for an example of a country where women's rights have been championed and furthered. That is what I said, and I hope that the hon. Gentleman understands it.

Mr. Forsyth: I am grateful to the hon. Gentleman. I would not want to misquote him. I asked him if he would endorse the Italian experience of deregulation under which all firms with fewer than 15 employees are exempt from a raft of regulations and requirements concerning benefits connected with health and safety, and so on. The hon. Gentleman replied by telling me about women's rights. I wish that he had addressed the issue because Italy cannot be said to be under a Right-wing, free market Government. Italy has introduced deregulation to a greater extent than my hon. Friend the Minister. I urge the hon. Gentleman to embrace the Italian example to create the renaissance that we need for employment. The system has worked well for Italy.

At the risk of upsetting Opposition Members, I shall discuss the material signs of prosperity created by deregulation in Italy. Car ownership has increased from 6 to 242 per thousand population. Italy imports more champagne and whisky than any other European country. It has the highest ownership of second homes and is well ahead of any other European country in terms of the numbers of holidays taken. Its people save 24 per cent. of their income, compared with 13·5 per cent. in West Germany and 5·7 per cent. in France. A total of 28 per cent. of the Italian working population is self-employed, compared with 7 per cent. in the United Kingdom.

Why has that come about in Italy? It is the result of the stalemate in labour relations in large enterprises. The trade unions became so powerful that they fossilised the system, and enterprises are now contracting out to small firms so that they have none of the hassle, and costs are lower. Employers, by encouraging their employees to set up mini shops and small businesses within their own factories, have introduced flexibility into business.

As a result, in the depressed regions and areas far from the centres of economic activity there is a boom in small businesses — mini silicon valleys, producing high technology as well as traditional manufacturing products.

The hon. Member for Fulham talked about the Church. The Church has played a key role, not in making great speeches calling for greater public expenditure to repeat the mistakes of the past, but by priests helping to co-ordinate local cottage industries. That is what is happening in Italy.

Mr. Corbyn: I am delighted to see the hon. Gentleman's conversion to the radical priests' movement, and I am sure it will be welcomed throughout the world. However, will he temper his argument and reflect on what the churches' report "Faith in the City" said about the Government's policies on enterprise and deregulation and about unemployment in inner urban areas?

Mr. Forsyth: I thought that I had hinted at my view, but, so that it is clear to the hon. Gentleman, let me say that I regard our churches' approach to unemployment as wholly irresponsible. Like the Opposition, they have nothing to offer. They merely mouth the policies that have failed Britain in the past. I contrast their efforts with those of priests in Italian communities who have grasped the fact that free enterprise will be the salvation of their people and have helped in practical terms by assisting the establishment of businesses in those communities. If vicars in this country are prepared to do the same, we shall welcome that. I hope that the hon. Member for Islington, North (Mr. Corbyn) will give them the support that the Socialist Administration in Italy are giving to their people.

The hon. Member for West Bromwich, East went to great pains to tell us about the need to do something for textiles and manufacturing industry.

Mr. Snape: I did not mention textiles.

Mr. Forsyth: I am sure that the hon. Gentleman would have done so if he had had time. In Italy the production of textiles, clothing, shoes, furniture, tiles and electrical equipment — all the goods that the hon. Gentleman protested British people were buying in our shops — invariably takes place not in large companies such as GEC, but in firms employing 15 or fewer people. Is it not an extraordinary coincidence that that links up with the 15 employees that marks the limit on regulation, restriction and control in Italy?

Britain has the same reserves of people with the necessary skill in textiles and manufacturing industry, but they are either in the black ecomomy or languishing on the dole. They are not getting opportunities, because Opposition Members and others like them continue to support stifling regulation and control which is preventing employment from being generated and the removal of which has been so dramatically successful in Italy.

Perhaps we should leave Italy, because there is so much that my hon. Friend the Under-Secretary is beginning to achieve, though there is so much more that needs to be done.

Mr. Snape: What about the Mafia? That is a non-union firm.

Mr. Forsyth: The task of my hon. Friend the Under-Secretary is simple to define, but hard to deliver. If we make it easier and cheaper for small firms to employ people, they will do so. If we make it less burdensome and more rewarding for people to start firms, new firms will be created. If we make it easier and more advantageous to expand, firms will expand and grow.

The delight of the strategy on which my hon. Friend is embarking, which has already produced dividends, is not just that it leaves the Opposition with nothing to say — the speech of the hon. Member for Huddersfield proved that—but that it is not inflationary. The more new firms that are created, the broader will be the tax base and the lower will be the pressures on public spending. The supply side strategy of freeing firms to grow has the great advantage that it ends the idea of high inflation being the price paid for ineffective action on employment, which is all that the Opposition have to offer.

Of course, my hon. Friend's strategy will be long lasting and will create the wealth that we need to meet our obligations to the poor and the most vulnerable in society. In short, it enables us as a country not only to create jobs, but to create wealth—an aim on which the Opposition have no ideas of substance to offer the British people.

12.59 pm

Mr. Jeremy Corbyn (Islington, North): During the 40 minutes or so in which we have listened to the Adam Smith Institute contribution to this debate, my hon. Friend the Member for Fulham (Mr. Raynsford) and I have been able to do a little research. We found that the majority enjoyed by the hon. Member for Stirling (Mr. Forsyth) is the same as the Conservative majority in Fulham in June 1983. Therefore, as a portent of things to come, the hon. Member for Stirling may have made a historical speech in the debate.

This debate is also a debate within the Tory party. It is a debate between the pre-industrial revolution Tories, such as the hon. Member for Stirling, and the land-owning classes. The hon. Member for Stirling's analysis of the industrial revolution is incredible. To claim that the movement of people from the land to urban centres resulted in an improvement in their living standards is to turn history on its head. One does not have to read a Marxist interpretation of history to discover the social conditions of the mid to late 19th century in all the urban centres. People were forced off the land by mechanisation and an increased grab for profits by landowners and into urban centres in even worse conditions than they had left in rural areas.

The hon. Gentleman should study a little history before coming here and giving us the garbled view that somehow deregulation and lack of any controls on the ability of companies to exploit individuals lead to a higher living standard. If he believes that he should go and look at the teeming tenements in Hong Kong and places such as the Philippines where capitalism is unbridled. There he would find dirt, disease, squalor, misery, short lives and high levels of infant mortality. That is where the policy that the hon. Member for Stirling has been expounding to the House would lead us.

Mr. Michael Forsyth: I did study a little history, admittedly at St. Andrews, which the hon. Gentleman would probably write off. I do not dispute the fact that in Hong Kong and in 19th century urban Britain conditions were squalid. I was simply saying that conditions in Britain at that time were much better than they had been previously in rural areas. I ask the hon. Gentleman to address his attention to the conditions which exist in the squalid flats of Hong Kong, which I have seen, compared to conditions which exist in Communist China. The conditions in Hong Kong are much better by far than they are in the sort of society that the hon. Gentleman supports.

Mr. Corbyn: The hon. Gentleman obviously did not do enough history at St. Andrews while he was enjoying the benefits of a publicly funded education. His analysis of Chinese history is as cock-eyed as his analysis of British history. He should realise that the appalling social conditions in Hong Kong are the result of deregulated unbridled capitalism. The conditions enjoyed by people in China now, compared to 1948, are immeasurably better. The country has pulled itself up without the assistance of anybody else, but by collectivising its economy, its efforts and its energy.

Starvation and poverty are not common in China as they were in 1948. Before the hon. Gentleman lectures the world on the way in which capitalism can improve living standards he should look at some of the countries which had to develop their own economies without the assistance of anybody else. I know that Conservative Members are now going on a "love China" spree. They should remember that the present prosperity in China is based upon a collective economy and not on an individual and market oriented economy.

Mr. Trippier: If that is the case, why do we not have people queuing up in Hong Kong trying to get back to Communist China?

Mr. Corbyn: The Government of both China and Hong Kong are looking after each other quite well. Hong Kong is the major port for China and it is also the route by which much foreign capital is invested in China. The Minister and the Government knew that very well when they negotiated the Hong Kong treaty.

I shall bring the debate slightly nearer to home because I believe that we are talking about enterprise and deregulation in this country. However, international comparisons are obviously important. The Government make much play of what they have done about employment and unemployment in this country. In June 1979 the number of employees was 23,157,000. By September 1985 it was 21,346,000. During that period the working population had increased from 26,609,000 to 27,669,000, a very large increase in levels of unemployment, as anyone can see.

Unemployment has more than trebled since the Government came into office, yet they still lecture us that somehow or the other the economy is on course and is more efficient. I can think of nothing more inefficient than having over 3 million people doing nothing with close on 1 million people on various schemes that are largely designed to massage unemployment figures rather than providing real jobs. They are trying to con people into believing that deregulation and lowering wage levels and living standards provides prosperity for the many. The Government's economic strategies have led to the highest ever levels of poverty in modern times, the highest ever levels of unemployment, and a feeling of desperation, desolation and hopelessness in the inner cities that has not been experienced since before the war. That is the effect of Government policies, but they tell us that we are turning the corner, and all that they have to do is a little more deregulation and then everything will be all right.

Mr. Cash: The hon. Member started his speech by referring to the connection between unemployment figures and election results, and has now turned to the question of the difference in the rate of unemployment between 1979 and the present day. He has tried to draw conclusions relating to the electoral consequences of that. I am not denying, as in my constituency, that the level of unemployment is higher than it was in 1979, although I was not a Member of Parliament at that time. By 1983, the unemployment rate had increased, but much of that was the consequence of the policies pursued by the Labour party when in government——

Mr. Raynsford: That was in 1979.

Mr. Cash: The consequence was fed through, to answer the point made by the hon. Member for Fulham (Mr. Raynsford). It is a tribute to the realism of the British people that by 1983, when asked, they returned the Government with the most massive majority.

Mr. Corbyn: What a curious view of history the hon. Gentleman has. I seem to recall the 1983 general election campaign being dominated, as usual, by a number of sycophantic newspapers with gung-ho chauvinism about the Falklands unprecedented in modern times, which resulted in a swing against the Tories. The election in 1983 was not a great victory for the Tory party. It had fewer votes then than in 1979. If we take the pattern of history forward, the hon. Gentleman may lose his seat, and we can look forward to having once again a Labour Member for Stafford.

I move now to the situation in Greater London and the effects that unemployment is having on inner urban areas such as that which I represent. The level of unemployment in the Greater London area as of April 1986 is 402,700 people. That is a regional number as high as, or even higher than, many other parts of the country, but this is supposed to be in the prosperous overblown south-east, the prosperous part of Britain. In fact, the number of people unemployed is higher than in Scotland and many other regions. It is a terrifying figure.

The structure of unemployment within London shows that in the inner urban areas the levels of unemployment have consistently been higher than the national average and there has consistently been a structural level of unemployment that has meant that older people have been unable to find more work when companies have closed and the number of school leavers out of work is higher. The level of wages in those areas is often considerably lower than for other places, yet Conservative Members lecture us about the connection between wage levels and unemployment.

Recall the figure of 402,700 people unemployed and compare it with the number of vacancies notified at the job centres, which in April 1986 was 26,600. For the community programme agencies the figure was 2,032. The opportunities for employment in Greater London, especially for young people and for middle aged people who have lost their jobs because of redundancy, are limited. On 10 April in my borough of Islington, 12,131 males and 4,908 females were unemployed. That gives a total in the borough of 17,039 people. Those people want work. They are prepared to work and see around them the possibilities for work which would be realised if money were pumped into the economy by way of public investment and enterprise.

I have here the figures for full-time education school leavers registered in benefit offices on 10 April. In Islington those under the age of 18 numbered 283; for 18-year-olds the figure is 181, and for 19-year-olds and over it is 1,118. That is a total of 1,582 people of school leaving age or near it who are unemployed in the borough that I represent. Those figures are a devastating indictment of the Government's policies.

The Manpower Services Commission report for April shows that unfilled vacancies at the employment offices at Holloway numbered 187. At the Islington office it was 420, and at the careers offices there were just 25 vacancies notified at the Barbican and 114 at the Holloway office. Any hon. Member who cares to compare those figures with the figures for unemployment that I have given will appreciate the misery and hopelessness felt by many young people. My borough council has done a great deal to try to promote employment in the borough. It set up and helped to fund a co-operative development agency and did a great deal through the GLC to open small factories. The Minister may laugh, but if he cares to visit Islington he will see how miserable life is for many school leavers, and he will see how his Government are detested because they are not prepared to do anything for young people.

Mr. Trippier: The hon. Gentleman is completely wrong. As a Minister, I have officially visited Islington on several occasions, even within the last 12 months, and I saw much enterprising work going on there. If I were the hon. Gentleman I would not pay credit to the GLC for what it did in that area because the greatest constraint on business and enterprise in Islington was the substantial increase in rates.

Mr. Corbyn: There are two errors in the Minister's argument. Firstly, no Minister has been able to produce any serious evidence to show that the level of rates has anything to do with the amount of business enterprise going on in any part of London. He knows that perfectly well. Secondly, he also knows that the GLC did a great deal to build factories and small workshop facilities, and that it funded various enterprises in the inner London areas. The GLC created a large number of jobs and saved a lot of jobs in London. Presumably that is one of the reasons why the Government were so keen to abolish the GLC, why the London Residuary Body is not prepared to take on the functions of the GLC, and why the Government are so hostile to the Greater London Enterprise Board.

My borough council has tried to create jobs through co-operative ventures and through the provision of factories and workshop space. The cost of creating those jobs is considerably less than the cost of jobs created in enterprise zones, which receive an enormous public subsidy by way of low rates.

The Government talk endlessly about solving our unemployment problem through the creation of small businesses and deregulation. The fault of that strategy is that the facts are against them. There are no more than 600,000 extra people employed in small businesses or self-employed than there were in 1979. The Government know perfectly well that their other policy of not supporting major manufacturing enterprises leads to a cycle of decline.

A few weeks ago we debated the shipbuilding industry and its need for Government support. The Government are not prepared to support that industry, and that leads to a knock-on effect on the loss of jobs. The same thing applies to all the other large, basic manufacturing industries. If the Government wish to solve the problem of unemployment they will have to start by being prepared to create and, support conditions for success in our large, basic manufacturing industries.

Mr. Trippier: I am sure that the hon. Gentleman would not wish to mislead the House in any way. He said that there was not an increase in the number of people employed in small firms. Indeed, I think that he suggested that there was a decrease.

Mr. Corbyn: I said increase.

Mr. Trippier: The hon. Gentleman acknowledges that there has been a substantial increase.

Mr. Corbyn: There has been an increase of 600,000.

Mr. Trippier: It is much bigger than that. Where is the hon. Gentleman getting his statistics? I take it that he is not including the self-employed.

Mr. Corbyn: The figures that I referred to were for the self-employed, and I recognise that there has been an increase. I was saying that there has been no increase to compensate for the loss of jobs in manufacturing industry. It has not solved the problem and it will not do so. The figures come from the Minister's Department. If he wants to check them, he presumably has better access to statistics than me.

Mr. Trippier: It is the use of statistics.

Mr. Corbyn: If the Minister wants to say something, he need not mumble.

Mr. Trippier: I suggest that the hon. Gentleman is misleading the House. He was talking about the number of people in small firms. If he checks the record on Monday, I am sure that he will find that that is what he said. My hon. Friends have spoken continually of the substantial increase in the number of self-employed people and people employed in small firms. Nobody disputes the fact that there has been a shedding of labour in larger companies, but the hon. Gentleman may want to check the figures in regard to manufacturing industry. They may be for industry as a whole.

Mr. Corbyn: The figures that the Minister referred to come from his Department and they show that there were 1,903,000 self-employed people in June 1979 and that the projected figure for September 1985 is 2,651,000. He will find that there was a loss of 35,000 jobs in energy, 43,000 jobs in manufacturing and 35,000 jobs in construction between September 1984 and September 1985. There has been an increase only in service industries. My point is that the Government's policies do not solve the problem and nor can they because the problem is that the Government are not prepared to maintain the country's industrial base.

We must consider the misery of inner-urban areas where small companies go bust because there are no orders from larger companies. That means that there are extremely high levels of structural unemployment. Such levels have many effects. They lead to a deterioration of the local economy, a feeling of hopelessness and misery to which many Labour Members are accustomed, and to dangerous health problems for unemployed people. The death rate among unemployed people is higher than that among people in work, as is the incidence of mental illness. Unemployed people suffer feelings of insecurity and anxiety about being unable to make ends meet. That is a consequence of Government policy.

All that the Government can offer us is the prospect of deregulation. They claim that workers should price themselves into a job. To that end, they remove the guarantees afforded by wages councils. Why? The same Government have given massive increases to people at the other end of the scale such as to the chairmen of nationalised industries, judges and Army, Navy and Air Force officers. They apparently need an incentive to work, but, at the other end of the scale, people apparently need lower wages to force them to work. The two do not add up. The Government are trying to create poverty at one end of the scale and wealth at the other. That goes hand in hand with their taxation policies through which they have handed out £15 billion to people who earn more than £20,000 a year during the past seven years.

The Government are proposing a further round of deregulation. Deregulation does not necessarily create jobs, but it creates worse and often dangerous working conditions. The Government should ask themselves why some of the regulations exist and why workers have banded together in trade unions to demand safe working conditions, time off with pay to attend to other duties, and maternity leave. In the long run, the Government want to remove all those provisions. The Minister said that there were at present no plans to change the health and safety at work legislation. However, there is a tremendous shortage of health and safety inspectors, which can lead only to dangerous working conditions.

Unemployment can be defeated if the Government show a preparedness to direct and control investment, to support manufacturing industry, to ensure a shorter working week and earlier retirement, and to have, if necessary, a higher school-leaving age with more time in education. That could help to solve the problems of unemployment. We do not need the Government's nonsensical rush into unbridled capitalism with all that that brings with it.

In reply to my right hon. Friend the Member for Manchester, Blackley (Mr. Eastham), the Minister said last week that in the past five years those on lowest earnings had been underpaid by £12 million, and that the money had been retrieved by wages council inspectors. He thus accepted that there had been much underpayment in wages council industries. He then informed the House that only eight firms had been prosecuted for failing to comply with minimum wage laws. The Government's drive to get rid of regulations is entirely misplaced and is directed at the wrong end of the scale. Instead, they should support local government in its efforts to create jobs and support those who are trying to develop manufacturing industry. Above all, they should not rush headlong into removing all regulation. They should instead ensure that workers in small industries receive the protection that they need and so richly deserve.

1.21 pm

Mr. William Cash (Stafford): Several points have been made about the situation in my constituency. A few months ago Newcastle university produced a report on a political and entirely objective basis, showing that there were 70 boom towns in the country. They were categorised according to certain criteria, such as the level of unemployment, the number of cars, the extent to which people were involved in different activities, and so on. Stafford came 53rd out of over 250 in all.

The figures also show that since 1979 Stafford has had considerable unemployment, as the hon. Member for Islington, North (Mr. Corbyn) has illustrated. I do not deny that unemployment has increased since 1979. However, the results of the 1983 elections and of the by-election that I fought in 1984 were considerably better than people might have expected. The work force and management in Stafford produce products of a very high quality. As a result GEC has won the Duandong contract in China and a contract has also been won for the Queen Mary. Contracts like that provide tremendous opportunities for employment in Stafford and other areas.

[Mr. William Cash]

Furthermore, the development of small businesses on the Raleigh Hall industrial estate, and so on, has shown that the spirit of free enterprise is very much alive in Stafford, with all its consequences for job prospects. Thus, the suggestion that the level of unemployment in Stafford is not complemented by that spirit of enterprise is entirely misleading.

The reality—this applies to all the matters that have been raised in the debate—is that, regrettable as unemployment levels may be, the crucial issue is how positive we can be in trying to get people back into work, when in truth most of the reasons why there is a high level of employment are those that are shared in all parts of the world. My hon. Friend the Minister and others of my hon. Friends have referred to the United States, Japan and European countries, including Italy. They have demonstrated the increase in the level of enterprise that has occurred in those countries. We must take account of overseas experience and be positive and constructive to try to improve prospects for our own people.

The Government take no satisfaction from the high level of unemployment that now prevails. We must look to the future and through measures such as those that are contained in the excellent White Paper entitled "Building Businesses . . . Not Barriers" to reduce the level of regulation to help those who are engaged in small businesses. We must help people set up small businesses and extend that help when they are in being. That is why I congratulate my hon. Friend the Minister on the help that the Government have given with local enterprise agencies. I understand that there are now well over 300 and that they are performing an extremely useful task. The agencies, in combination with local chambers of trade and other bodies, are showing that enterprise is something that we are learning about and developing at a rate that is enabling us to provide more real small businesses and more effective self-employment. The figures and the arguments are well known to all Members, and we know that we shall not be able to provide free enterprise and small businesses without a great deal of hard work.

An article appeared in *The Times* on Friday 6 June which referred to the work of Mr. Francis Blanchard, the veteran director general of the United Nations International Labour Office. I am sorry that not more Opposition Front-Bench spokesmen are in their places to hear what Mr. Blanchard had to say. I hope, however, that they will take note of his remarks.

The view is taken by Mr. Blanchard that self-help is of the greatest possible importance for those who are living in areas where economic conditions are not as good as we would like them to be. The same general point could be made about Britain. Mr. Blanchard says, especially about the third world, that the

"'informal' world of street vendors, repair shops, hoe makers and fish fryers should 'organise better the jobs they create themselves'. The road to a better life is not going to be via the factory floor."

His report asserts that

"to rely on policy measures, legislation and the promotion of proper standards would simply stifle the dynamism and creative abilities of the poor."

The comment is made that this approach

"breaks all the ILO moulds."

Mr. Blanchard argues that

"it is time to recognise that the fight against unemployment and poverty is being lost"

and that by inference there is a need to make changes in the direction of helping people to help themselves and to provide the environment in which they can become self-employed because the prospects for them to be able to gain employment with a large manufacturer are no longer there and are not likely to be available in future.

We owe it to ourselves to examine the American and Japanese experience. The cutting of taxes, which has been discussed over the past few months, is an approach that we should consider carefully. I include in that a plea to increase the VAT threshold to £50,000. Cutting taxation remains a central issue in the debate. No doubt the debate will continue within our party. The importance of it may be highlighted by the fact that in the 1920s, when America

I think that President Coolidge was in office—reduced the tax rates significantly, an enormous increase in employment immediately followed. In the 1950s, in Japan, Tashan Ishibashi reformed the tax structure. There seems to be direct correlation between tax rates and the propects for self-employment and the regeneration of enterprise and employment.

There are other matters, such as education, to which we should pay attention in such a debate. Children must learn practical business skills to be able to take advantage of the enterprise structure that we are trying to create. We must accept that some children are not academically minded, and have a tremendous difficulty with academic subjects. The reality is that, eventually, they must find jobs. We must give them the opportunity, through the education system, to acquire the necessary skills to do so. They must acquire the adaptable and transferable skills that are necessary for them to get jobs when they leave school. I believe that initiatives are taking place. I have already mentioned that in my constituency GEC is providing practical study courses for schoolchildren. I recommend companies in other constituencies to follow that move.

The 18 million additional jobs created in America started very much in the home. Self-employment lay at the root. Deregulation and the reduction in the amount of legislation in America ensured that 85 per cent. of the jobs created in the past few years started in the home. That important point is reflected in the White Paper. The change in the use classes order could have a beneficial effect in providing an environment in which people involved in high technology or the rural economy will be able to provide themselves with an opportunity to set up in business on their own without unnecessary restrictions.

When redundant agricultural buildings are converted, they must be put to the best possible use. I congratulate the Royal Society of Agriculture of England, the Country Landowners Association, the National Farmers Union and Rural Voice. I thank the Bishop of Stafford and Rural Voice in my constituency for the work that they have done in helping to provide better opportunities for those who work in the rural economy. With new machinery and increased overproduction in agriculture, which is discussed in the White Paper, there are opportunities and there is a need for us to help those who live in the rural areas. We must put the redundant agricultural buildings to the best possible use.

Regulations take time. Time equals money. Regulations take time to absorb and time to put into practice. The need to reduce the level of over-regulation has been accepted by the Government. The White Paper

provides an intelligent framework within which the nuts and bolts needed to achieve our objectives can be found. It is one of the unstuffiest examples of "Dehumphrification" that I have seen in recent years. This first-class document deserves careful reading. It shows that we are committed not only to enterprise but to creating jobs.

A few years ago we introduced the Small Business Bill, which provided an opportunity for many people to examine the way in which to implement small business proposals. We in the Conservative small business bureau proposed a system of co-ordination between Government Departments to reduce the burden on small businesses. The Bill's opening words referred to the promotion of enterprise and employment — two crucial aspects facing this country.

Public services can be provided from private enterprise. Public services and public expenditure cannot be whistled out of thin air. We want to produce private enterprise on a scale that will dramatically increase over the next 25 years. We have a serious unemployment problem, but we are beginning to win through. The principles on which the Small Business Bill, the White Paper "Lifting the Burden" — which has now been implemented by the Government — and the new White Paper "Building Businesses . . . Not Barriers" are based provide the framework within which it is possible to start moving towards the fulfilment of the enterprise culture that we have discussed in this debate.

Reference has been made to trade unions and to the industrial revolution in the 19th century. I dare say that if I had lived in the mid-19th century I, too, would have wanted to stand up for the rights of workers who lived in appalling circumstances. My great grandfather, William Cash, was one of the first commissioners to deal with the treatment of coal workers on the London docks. He faced a big battle, which has been well documented, in getting the necessary legislation on to the statute book.

It does not follow that those of us who believe in free enterprise are necessarily antipathetic to the notion of trade unionism. We are concerned with the restrictive practices that have been built up around trade unionism, not its objectives. People from all walks of life need protection. It is equally important to ensure that we do not build up enormous monopoly interests, power centres and bases — whether in manufacturing, big industry or trade unions — which militate against the interests of the enterprise and the prospects for self-enterprise of the people as a whole.

Competition is part of deregulation. I was delighted to see the announcement by my right hon. Friend the Secretary of State for Trade and Industry of a review of competition policy. I have called for such a review in previous debates. Some months ago, I tabled a question asking for a review of competition.

I should have preferred this debate to take place in prime time rather than on a Friday, and Friday the 13th at that. This is a central issue and the debate provides an opportunity for us to consider questions in a balanced way. Despite one or two altercations, this has been a helpful and constructive debate, conducted in a reasonable spirit.

We have a national job to do, and through the White Paper the Government have done an enormous amount to reduce regulation and increase the prospects for enterprise. I congratulate the Government on the progress that has been made. We are, of course, always impatient for more. I would rather see deregulation than White Paper, but I pay tribute to the work of Lord Young, the Paymaster General and my hon. Friend the Minister for their work in putting together the nuts and bolts that will lead to greater prosperity in this country.

It might be appropriate now to refer to Mr. Paul Twyman, head of the enterprise and deregulation unit, for his work during the past two years. I also thank the officials in the Department, many of whom are here today, for their hard work — which must not be underestimated — in putting together a package that will help this country to get off the ground and become more and more enterprising during the next 15 to 20 years.

1.41 pm

Mr. Sheerman: With the leave of the House, Mr. Deputy Speaker, I shall not detain the House long.

There has been a sense of unreality about some aspects of the debate and I had to pinch myself when listening to some of the remarks from Conservative Members. The Government have been in power for seven long years. Indeed, the Conservatve party has been in power more often than any other party since the turn of the century, especially since 1945. If something is fundamentally wrong with the spirit of enterprise and the encouragement of new and small businesses, is there not something wrong with the catalogue of scapegoats put forward by the Government? The Government have an overwhelming majority and can obtain any legislation that they want, whether financial, industrial or trade. Yet, after seven long years, we are in the most pitiful position. We import more than we export and we have an appalling index of manufacturing production. For the period April to June 1975, it was 112·3, whereas, for April to June 1986, it was down at 102·3. Yet this country is devastated by mass unemployment unimagined by any Government since 1945. The Government are no longer committed to full employment——

Mr. Colin Moynihan (Lewisham, East): Rubbish.

Mr. Sheerman: If the hon. Gentleman had listened to some of his colleagues' speeches, he would know that that is a common feeling in the Conservative party, which is no longer committed to full employment. The Government want to talk not about unemployment, only job creation. Of course we must talk about job creation, but we must also talk about unemployment.

We want to get the answers right and we desperately want job creation to be more successful than ever before. No Government deserve to be elected if they do not believe in the successful creation of wealth, competition from markets and the ever-changing needs of society where technology is moving so fast. We in the Labour party are committed to meeting those challenges successfully. We are conscious that we want to spread the benefits of that wealth creation differently from the Conservative party. We want to spread them across our society, to all sections of the community. That is the real difference between Labour and Conservative Governments when in power.

I have to nail some other myths before the debate closes. There is a myth that the Conservative party would love to promulgate, and does promulgate. No one is better at it than the hon. Member for Stirling (Mr. Forsyth).

[Mr. Sheerman]

That myth is a belief that the Labour party is anti-enterprise, anti-business and anti-wealth creation. Nothing could be further from the truth.

I tell the hon. Gentleman and other Conservative Members that, as I go round the country, business men and managers say, "Please let us have a Labour Government again." *[Laughter.]* Up and down the country, manager after manager says that. Conservative Members may laugh at that because it is an uncomfortable fact. *[Interruption.]* They do not like it. It is something to do with the fact that most of the idle people representing the Conservative party in the House have less attachment to expertise or background in manufacturing industry than any House of Commons in the past 100 years. They are parasites—people who have never earned a decent living in manufacturing industry in their lives. There are so many solicitors, parasites, stockbrokers—people who have never ever got their hands dirty in British industry. That is why there is an enormous gap. That is why they are so out of touch with what manufacturing production is about—

Mr. Cash: Will the hon. Gentleman give way?

Mr. Sheerman: I shall not give way.

The fact is that the Conservative Benches are the Benches of parasites—people who have done well out of the City and out of the cushy jobs in our society. That is not true of hon. Members on the Opposition Benches. We have more experience of British manufacturing industry.

I tell the Government that, unlike them, we in the Labour party are not totally blinkered by ideology. One of the things of which I am extremely proud is that the Labour party is a learning party. We say that we sometimes make mistakes and get things wrong. We listen to people, industry and the trade unions, and we go back and reform our policies and get them right.

The Minister asked us what we shall put before the electorate. Let me tell him. The Labour party believes in a new and invigorating partnership between Government and industry—a creative relationship. We shall have a very good relationship with manufacturing industry. We shall have a more aggressive or a tougher relationship perhaps with some other areas of British industry. I speak particularly of the City and the banking system. The hon. Member for Yeovil (Mr. Ashdown) made this point, too. We need banks and institutions that invest in all our country—all our people.

In his speech, the hon. Member for Stafford (Mr. Cash) wiped away the futures of many people—whole cities, towns and regions. They do not have to stay there any longer. They are in the wrong place. They set up home, brought up kids and invested their life and future in their houses in areas that are no longer relevant, so let those communities wither and die. Let all those people move down to the rich pastures of the south.

The hon. Gentleman talked much about his constituency. I have looked at the unemployment figures for Stafford, for Rossendale—and for Reading, because of the Whip who was occupying the Front Bench at the time. I recently visited Reading. My constituents believe that everything is all right in the south of England, that it is rich and has full employment. In Reading unemployment is over 11 per cent. That is a place with green field sites in a plush part of the south of England, but even there, despite its proximity to Heathrow and arteries linking it to the rest of the country, unemployment is high.

Mr. Cash: The hon. Member for Huddersfield (Mr. Sheerman) has made a number of unsubstantiated remarks. He made a series of general allegations about my speech which in no way reflected what I said. I said that I was deeply concerned about unemployment in my constituency, but that it was lower than the west midlands average, and that the Newcastle university report showed that, of the 70 boom towns in the country, Stafford came 53rd. I said that that proved the enterprise of the Stafford people and, furthermore, that unemployment was reflected in Stafford not by the negative, pessimistic view portrayed by the hon. Gentleman, but by a positive and enterprising attitude. I pay tribute to the people of Stafford for that reason.

Mr. Sheerman: The hon. Member for Stafford claims that I made unsubstantiated allegations. I mentioned the figures for the decline in manufacturing industry and GDP since 1979. They are incontrovertible. We sell less abroad than we import. The figures are on the record.

The Labour party understands British industry's needs. We understand the need to build a creative partnership between the public and private sectors better than the blinkered ideologues represented by the leaders of the Conservative party. That has not always been so because ideologues such as the Prime Minister, supported by the Secretary of State for Employment, have not always been there. A creative partnership between the public and private sectors can do a great deal for industry and enterprise. We believe that we can create, at national, regional and local levels, an enterprise infrastructure that can and will build on the emerging developments.

The Minister does not have to tell us that small business and small industry are important employers. We do not deny it. Indeed, wearing our constituency and shadow ministerial hats, we understand it only too well. We are in the business of creating a partnership for enterprise which will truly bring about positive enterprise throughout our country. That means investment in those parts of the country that some Conservative Members, such as the hon. Member for Stirling, have written off. We do not write off the west midlands, areas of Scotland or any part of our country. It is the Government's responsibility to create work and wealth for all our people, not just for those who live in the safe, soft Conservative heartlands. That is what we shall put our hands to after the next general election. We shall throw out many of the parasites in the Conservative party.

Mr. Roger Moate (Faversham): Waffle.

Mr. Sheerman: The hon. Member for Faversham (Mr. Moate) should have been here earlier if he wanted to hear some vintage waffle from his hon. Friends.

This Government do not understand industry. They are unsympathetic to industry. Industry has been in decline since the Government took over. Manufacturing industry has declined by one sixth. The Government have done precious little to reverse that trend. They parade their excuses. We are told that local government has pushed up the rates and made local industry uneconomic. There is no basis of fact for that claim. No serious research has been produced to prove that that is the case.

The 6 June edition of *New Society* reports that there is no evidence that decent employment standards deter employers from taking on more staff. Another myth is exploded.

The hon. Member for Stirling gave a wonderful performance. He said that the reason for our economic decline was the terrible stranglehold of the trade union movement, yet he went on to say that the reason for the success of the Italian economy was the terrible stranglehold of Italy's trade union movement. It was a tortuous process by which the hon. Gentleman drew those conclusions.

Mr. Michael Forsyth *rose*—

Mr. Sheerman: I shall not give way. I want to give others a chance to speak.

The latest Tory flavour of the month is that we should make our economy like that of another country. The United States and Italy are often mentioned. I am always suspicious of simple, populist solutions to complex problems. The Government specialise in such solutions.

Rebuilding the confidence of British industry will be a difficult task and we shall get nowhere fast by saying, "Deregulation will do it," or, "See how the Americans and the Italians have done it." Societies have different histories and cultural backgrounds and they must work within those constraints.

Mr. Ashdown: I have listened with care to the hon. Gentleman's considerable diatribe against the Government on employment matters, but I remind him that the debate is, at least in part, about enterprise and small businesses. Will the hon. Gentleman, therefore, give us some idea of the Labour party's policy for encouraging enterprise and small businesses?

Mr. Sheerman: Unless the hon. Gentleman has selective hearing, he must have heard me say that we would take a firm line with the financial institutions and ensure that a creative partnership of private and public enterprise would bring investment in all our regions. I said that finance would be more easily available in the regions and that we shall produce a package for small business which is attractive and more relevant in terms of enterprise allowances and the other initiatives that a Labour Government will produce and build on.

I said that the Labour party is a learning party. I admit that, although there have been problems with the enterprise allowance scheme, it has been a success. The problems include the facts that the scheme does not go far enough and the limits are too low. The £1,000 requirement is too restrictive and the counselling advice and back-up are not good enough. We are producing and will produce policies to encourage enterprise and small businesses which will be more successful than the Government's policies.

We shall not restore enterprise by the ideological diatribes that we hear from the Government. A Labour Government will consider the problems and solve them in a way that will set the country free and liberate enterprise.

1.59 pm

Mr. Trippier: Before hearing the extraordinary speech of the hon. Member for Huddersfield (Mr. Sheerman) and the way in which it was delivered, I would have said that the advantage of having debates on a Friday is that we usually throw more light than heat on our deliberations. If there has been any difficulty in the debate and perhaps on occasion tempers have been frayed, it is principally because Conservative Members are becoming increasingly frustrated by the fact that the Labour party especially does not go into any detail on what its future programme would hold for the small firms sector.

Mr. Snape: Who is in charge?

Mr. Trippier: I do not know who is in charge of the hon. Gentleman's party, but it is the responsibility of the hon. Gentleman and his right hon. and hon. Friends to get that programme sorted out.

Mr. Snape *rose*

Mr. Trippier: I shall not give way to the hon. Gentleman.

Mr. Snape: Stick to the brief.

Mr. Trippier: I shall show the hon. Gentleman the brief, as he mentioned it.

Let us look at the Labour party manifesto for 1983 "The New Hope for Britain". There is not one mention in it of small businesses, despite what the hon. Member for Huddersfield said. All I want is the simple connection of two words "small businesses" somewhere in that document. It has been double checked, and there is no such reference.

Mr. Snape *rose*

Mr. Trippier: I shall refer to the hon. Gentleman shortly. Perhaps he would like to intervene then. I must make my point, and I am sure that the hon. Member for West Bromwich, East (Mr. Snape) would not like to spoil it.

The Labour party manifesto for 1979 was exactly the same, in that there was not a single mention of small businesses. However, we have just heard from the hon. Member for Huddersfield that the Labour party is a learning party. It did not seem to learn between 1979 and 1983. It did not seem to alter its case. It now says that it will come clean and mention small businesses in the next Labour party manifesto. We cannot wait to hear about that.

The hon. Member for Huddersfield and I basically disagree politically, but we get on extremely well outside the House. However, we are both supportive of co-operatives. The hon. Gentleman has made a significant contribution to that movement and I pay tribute to him for doing so. He is in some difficulty with me, because he has found a Conservative Minister who supports co-operatives and believes in the developing and strengthening of the movement. We think that co-operatives are an important part of the small firms sector.

Mr. Sheerman: The hon. Gentleman is trying to be too kind. He must remember that I have to face re-selection next time. The hon. Gentleman knows as well as I do that the Government have cut the budget of the National Co-operative Development Agency and closed down nearly all the local authorities which were doing most for co-operatives. That is the fact of the funding for co-operatives under this Government.

Mr. Trippier: It was my decision whether we should continue the funding of the co-operative development movement to the tune of £200,000 a year for six years. As I have said before in the House—I am anxious not to

[Mr. Trippier]

be deflected on this point — that contribution, contrasted with the £75,000 a year that we give to Business in the Community, is extremely generous. I believe in the co-operative movement and in the growth of co-operatives. However, for goodness sake, let us get things into context. We are talking about just over 1,000 co-operatives, compared with 1·6 million small businesses and 2·5 million self-employed. However important co-operatives are, they are only a small proportion of the small firms sector.

The hon. Member for West Bromwich, East and I have one thing in common, in that we both come from the finest county God ever gave to man and I suppose we share a sense of humour because we come from that county. However, I do not want to damage the hon. Gentleman's re-selection chances. He does have a sense of humour, and it is appreciated by me. By jove, he needed a sense of humour to deliver his speech today, and we needed a sense of humour to appreciate it. I have never heard so much tripe. The hon. Gentleman is familiar with that term. We are familiar with tripe in Lancashire as they are in Yorkshire, I understand. The hon. Gentleman's speech was absolutely unbelievable. However he did not explain to the House why, if the Labour party had the recipe for success, unemployment more than doubled when the Labour party was in office. The hon. Gentleman could not explain that and nor could his right hon. and hon. Friends.

It is wrong for Labour Members to suggest that they have a monopoly of concern at the level of unemployment. I heard the excellent speech of my hon. Friend the Member for Sheffield, Hallam (Sir J. Osborn) and the concern that he clearly expressed, which is shared by me and by all Conservative Members. That the Opposition have the temerity to suggest that is diabolical. The funniest thing

Mr. Snape *rose*—

Mr. Trippier: No, wait for this. I cannot resist saying this. When the hon. Gentleman said that he thought rates were a marginal cost, I wondered to whom he had been listening. That was very funny. Is he prepared to stand up in West Bromwich and talk to his chamber of commerce and say the same thing? It would need a good sense of humour to listen to that.

Mr. Snape: Neither of us is laughing about unemployment. The hon. Gentleman asked me about the Labour Government's record, although this is wearing a bit thin. In the borough of Sandwell, during the last eight months of the last Labour Government's term of office unemployment fell every month. In the period since June 1983, unemployment has risen in 78 out of 83 months. As to rates, the hon. Gentleman asked me from where I had got my idea about the marginal difference. The references to it are on the record. It has been said by the hon. Member for Hayes and Harlington (Mr. Dicks), who I am sure represents the Right-wing of the Conservative party, in debates here in the past few weeks.

Mr. Trippier: If the hon. Gentleman is suggesting that rates are of marginal interest to industry, I am suggesting that he is out of touch with industry, because rates have a direct bearing and have a significant impact on small firms. If we are to hear from the Labour party that the increase in rates is only marginal, presumably we shall hear the same thing about the rise in taxes that it would impose as a result of its programme of increased public expenditure. The argument is the same if it feels that it does not matter by what amount rates are increased. The hon. Member for Huddersfield has come clean and said that there will be increases in taxation. Presumably he will next say that the increase will be only a marginal cost, in the same way as the increase in rates. The truth is that rates are an overwhelming burden on the people whom we are seeking to encourage.

Sir John Osborn: When my hon. Friend meets the Sheffield chamber of commerce, he will find business men who have been trying to keep business in Sheffield who will admit that because the rate burden for comparable premises within 50 miles of Sheffield is so much lower — for example, in Huddersfield or Halifax — they have left Sheffield. They have to make a decision, and they do not stay in cities such as Sheffield but leave because too heavy a rate burden causes an adverse cash flow that can be detrimental in the long term, let alone the short term.

Mr. Trippier: My hon. Friend is right. I am convinced that business is driven out of cities, particularly cities where rates are high, and there is no incentive for people who are trying to attract industry nearer or into the city if there is too high a rate burden.

Mr. Ashdown: The Minister said that rates are an overwhelming burden on business. While I do not necessarily agree with those precise words, I am closer to his view of this matter than I am to that of the hon. Member for West Bromwich, East (Mr. Snape). If that is the case and they are a considerable burden on businesses, why did the Government take the decision to remove the rate support grant, which meant that in the shire counties, such as mine, rates went up by no less than 20 per cent. without a single penny of expenditure? That was the decision of the Government, not of anybody else.

Mr. Trippier: Yes, it was us, but the Government believe in good housekeeping. Several of us in the Chamber have had experience of local authorities, and have even been leaders. We know that it is not only the Government who must have responsibility for good housekeeping, but the local authorities as well.

I shall now try to cover in a less controversial way some of the other points made today.

My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) referred particularly to the American experience. He spoke about the Northern Development Company, and several hon. Members spoke about the partnership between the public and private sectors. I welcome that, because it can unite us.

The hon. Member for Huddersfield may know that I was in Leeds just a week or two ago to launch a new initiative started by the West Yorkshire enterprise board. We did not deregulate that. It was started in partnership with local enterprise agencies from the whole of West Yorkshire. It has come up with a scheme that may appeal to my hon. Friends, in that it provides finance in the form of loans for up to £15,000. That may seem small beer, but we have identified a funding gap at that low level and West Yorkshire has chosen to close that gap. That enterprise board has a political content, and power is undoubtedly in the hands of Labour councillors.

The private enterprise agencies are probably split down the middle, with 50 per cent. being set up in areas where

Labour controls the councils and 50 per cent. in Conservative-controlled areas. In some cases the Liberals may be in control, and that means that all the political parties are in this business. That combination will work, and I should like to see it replicated throughout Britain. What pleases me more than anything else is that that initiative started north of Watford. Speaking as a northerner, I am glad that happened because, like many other hon. Members, I get a little fed up from time to time hearing that everything happens in the south. It does not.

I am grateful to the hon. Member for Yeovil (Mr. Ashdown) for his kind remarks. I am pleased that he has played such a significant part in the development of his local enterprise agency. He was kind enough to invite me to open it a short time ago. It is important for me to say that, because the hon. Gentleman well knows that I am anxious to approach local enterprise agencies in a bi-partisan way, because without that they will not succeed. It is the same with Sandwell. We need councillors on the board who represent the different political persuasions, because they are the main influences in the community and nothing can happen unless we can get such representation.

I suggest to the hon. Member for Yeovil that all that we are doing for small firms is not a PR exercise. He suggested that that may be the case, and it may well be so in terms of trying to increase awareness about what is on offer to small business men, because there is still confusion about the help available. I have some sympathy for what he said about trying to pull the act together. I suppose that I shall fail today, but I shall keep trying to convince him that we must recognise that the one-stop shop that he spoke about must still be at community level. That is where we part company, because his party keeps pushing the idea of a county structure to pull all the threads together. That might be a slightly different interpretation of the sort of regional government in which the party believes.

Nothing could be worse. I have spent the last three years in government desperately trying to get everything down to community level. A definition of community is virtually constituency size. I have my doubts about the wisdom of taking something to county level, but perhaps I should have a closer look at the hon. Gentleman's pamphlet. I am prepared to do that, as long as I do not have to contribute to the Liberal party. I shall come back to him at the appropriate time.

Mr. Ashdown: I shall not read the pamphlet to the Minister, but for his information it is called "Growth From the Grass Roots". I share his view that this needs to be community-based. I am not hung up on the county idea, because this needs to be as close as possible to conforming to the nature of the community. My point is that there is a need for some kind of structure loose enough to allow a thousand flowers to bloom, but tight enough to be able to co-ordinate what is at present for the new business man starting up unhappily something that is full of muddle, confusion and duplication.

Mr. Trippier: The hon. Member for Yeovil mentioned Business in the Community and all hon. Members have respect for the work that it has done. The stamp of approval has been placed on the enterprise agencies movement because His Royal Highness the Prince of Wales has agreed to become patron and president of Business in the Community. His Royal Highness would not touch it if it was politically biased one way or the other. Some of us in the Government find that we have to stand to one side because the Prince of Wales is opening new enterprise agencies. This is a welcome development, and I can assure hon. Members that he can speak without notes for a considerable time about development agencies because he knows what he is talking about. That is a recognition of the growth and importance of small firms.

Because Business in the Community has a regional presence and regional directors, which it did not have some 18 months ago, it now has at least a regional presence. We would prefer them to be co-ordinators at regional level. I hope that we do not introduce another tier between the regions and the community. I still believe that that is the direction that we should take.

In a robust speech, my hon. Friend the Member of Stirling (Mr. Forsyth) mentioned what I said about additional Government spending and how successive Governments have manifestly failed to create lasting jobs. The Labour party is obsessed with large companies. It is over-paranoic about them. That is its greatest weakness.

My hon. Friend also talked about developing the enterprise culture. Athough I can agree with everything that he said about that, I do not want to get over-enthusiastic about Italy. This might be a surprise to hon. Members, but I spent some time in Italy studying small business programmes and schemes available there.

Mr. Snape: Did the hon. Gentleman go in a gondola?

Mr. Trippier: I have no doubt that that is an enterprise in itself, and probably an expanding one.

While I was in Italy, I found it extremely difficult to distinguish between firms which were in the white economy and those which were in the black economy. There seemed to be an enormous number of firms in the black economy which would go out of business one day and open up again the next, probably leaving a trail of debts in their wake.

I am aware of the argument which my hon. Friend advanced about deregulation and the suggestion that firms with fewer than a certain number of employees should not have to complete all of the forms. When I went round various Government Departments and visited small firms lobby groups in Italy, they all said quite strongly that the bureaucracy was still extremely heavy. Their bureaucracy remains far heavier than ours. I believe that we have more to learn from the United States.

Mr. Michael Forsyth: I am grateful to my hon. Friend for giving way. I am sure that what he said about bureaucracy and the black economy in Italy is quite true. Was he impressed, however, that there were so many new enterprises with fewer than 15 employees which seemed to demonstrate considerable incentive in avoiding the burden of regulation? It was in that context that I was emphasising the Italian experience.

Mr. Trippier: To be honest, I was not as impressed as my hon. Friend clearly was. I was more deeply impressed, as my hon. Friend suggested earlier, by the growing number of self-employed people. I was also impressed by the changing attitude towards enterprise generally.

I do not want to deal with the speech of the hon. Member for Islington, North (Mr. Corbyn) because I do not believe that that man understands anything about enterprise.

[Mr. Trippier]

I consider my hon. Friend the Member for Stafford (Mr. Cash) to be something of an expert on deregulation. I am grateful to him for the support that he has given me and my right hon. and hon. Friends on this issue during the past two years. I am glad that he took this opportunity to pay a warm tribute to Paul Twyman, the head of the enterprise and deregulation unit, and the civil servants who work in that department. Contrary to some suggestions across the Floor of the House, they do not operate as a police force. The thought of Paul Twyman marching around in Gestapo-type uniform stretches credulity to breaking point. They are responsible and work extremely hard on a very technical subject.

I am sure that the hon. Member for Yeovil will have discovered that there are hardly any small firms lobby groups which can devote time to studying what should and should not be deregulated. We owe the Department a warm tribute. I am glad to take this opportunity to praise civil servants. It is something that my colleagues in the Government should do more frequently.

It is clear from the debate that the Opposition prefer to tell businesses what to do and what not to do, and to tell employees what is good for them, regardless of the employees' views, or even of whether controls would deprive them of their jobs. For example, Labour Members oppose changes in the rules of wages councils, which means that they would prefer young people to be unemployed than to let them price themselves into jobs at wages that business can afford to pay.

The Opposition talk of a national minimum wage, but they do not tell us what it should be. We want to pin them down so that they have to tell us in detail what the new national minimum wage is to be. I tell the Opposition that they will frighten the pants off small business men, because they would have to lay off many people. They would certainly not be able to expand their work forces, and many businesses would go to the wall.

It has been an interesting and, as far as possible, enjoyable debate. The Government will do all that they can to emancipate the entrepreneurs to whom so many Conservative Members have referred. We believe that it is only with the spirit of enterprise that we can continue to increase the number of people in employment, as we have been doing for the past seven years. We are anxious to free the air to allow them the chance to breathe and to play a significant and growing part in this country's future success.

Mr. Archie Hamilton (Epsom and Ewell): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Prison Officers' Accommodation (Right to Buy)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.20 pm

Mr. Roger Moate (Faversham): I am glad to have the opportunity to raise a matter of some importance to a small but important number of my constituents. I refer to the right of prison officers to buy service quarters at discount prices.

Some time ago I was approached by several constituents who are prison officers at Standford Hill prison, which is located at Eastchurch on the Isle of Sheppey. I very much welcome the modernisation of Standford Hill prison and the construction of the new Swaleside prison. That will make the prison complex at Eastchurch even more important, both locally and nationally. It also involves a substantial increase in the number of prison officers and other staff on the Isle of Sheppey. I warmly welcome that just as nearly everyone on the Isle of Sheppey does. Indeed, the good relations that have existed between the community and the prison service are a tremendous asset to us all.

I very much welcome those developments, because they are an indication of the superb expansion of the prison building programme that the Government have carried through. The projects on the island are substantial and represent part of a quite dramatic programme that has been introduced by the Home Office. Thus I congratulate my hon. Friend the Minister on the part that he has played in that.

The very fact that such developments increase the number of local prison officers emphasises the importance of the subject under debate. It is vital that prison officers should have the right housing arrangements. I am concerned, in particular, about the right of prison officers to buy their own homes and their eligibility for discounts. Until 1979 prison officers were required to occupy quarters provided by the prison service, but in 1979 they were released from that obligation. The Home Office and Ministers should take pride in the fact that two thirds of prison officers now live in private accommodation with the assistance of a housing allowance. Thus, there has been a tremendous change.

I believe that virtually everyone accepts that as a matter of fundamental principle those in public services such as the police, fire and prison services, the Armed Forces and others should be encouraged to buy their own homes. In the past many have suffered greatly by living in tied accommodation or public quarters for much of their careers. They have found themselves out of the housing market for most of their lives and have depended, in retirement, on the public sector. However, we have taken great strides forward, as illustrated by the changes that I have already mentioned, with regard to prison officers.

Thus any minor criticisms that I make must be seen in the context of a major improvement which, I hope, is recognised by prison officers as well as by politicians and the whole community.

As a part of that policy, the Government have already sold many houses in the prison service to prison officers at, I understand, full market price. The issue that I am raising is that of eligibility for discounts on the price of

those homes for prison officers who are currently occupying homes which, by definition, could be or would be available for sale.

The principle of giving a discount is part of public policy and is an important plank of Conservative party policy. Discounts are offered by many public authorities in addition to local authorities. That means that in the public sector discounts of up to 60 per cent. can result. I understand that police authorities may at their own discretion—many exercise it—sell off any police houses that are surplus to operational requirements. I understand also that the authorities who do that operate the same terms and conditions as those that apply to local authority house sales. In other words, some police officers have been given discounts of up 60 per cent. I do not think that there is any dispute about the principle of selling houses, especially those surplus to requirements, and giving discounts to the occupants.

Unfortunately, the discount facility has not been available and is not available to prison officers. Whatever practical difficulties might face my hon. Friend the Under-Secretary of State for the Home Department, I am sure that he will appreciate the feelings of my constituents and others who wish to buy their own homes. They are seeing other tenants in other sectors receiving large discounts when they have to pay the full market price.

I recognise fully that the Home Office needs to keep a stock of prison quarters to recruit staff and maintain staff mobility, and to provide for emergencies, but that is not the issue. By definition, we are talking about houses that are surplus to requirements. I understand that such houses are already available for purchase by their occupants. Once sold, whether at full market price or at a discounted price, they would cease to be part of the prison service's stock of houses. They would probably be sold, and what we are talking about is the price at which they would be sold. It is a matter of whether the occupants receive a discount, as many police officers are given a discount. In all equity, I believe that prison officers should be given a discount.

The Prison Officers Association raised this issue in 1983 and the Government responded with a package that provided for discounts, but it would have meant the end of prison officers' entitlement to the provision of prison quarters. That package has been rejected by prison officers in a number of ballots on a number of occasions. I am sure that the officers are not against discounts in principle. In my view, they were rejecting the package as offered by the Home Office. I must ask whether such ballots are the right way to approach this subject. If two thirds of prison officers already live in private accommodation and receive a housing allowance, they are most unlikely to accept a scheme that robs them of the valuable advantage of quarters entitlement, should it ever be necessary for them individually or collectively.

Perhaps it is not surprising that the prison officers rejected the Government's package, but the minority have been left in an unfortunate position. I do not think that the majority want the minority to be deprived of the possibility of a discount. Should we sit back and accept the results of the ballots as the end of the matter? I hope not. I ask my hon. Friend the Under-Secretary of State to ensure that the Home Office continues to search for some way of providing some form of discount to the small number of officers who wish to buy prison service homes which are, by definition, surplus to requirements.

This is not an open-ended proposition as the stock of houses is limited and the number of officers affected is, I suspect, relatively few. That should make it easier, not harder, to find a solution. I should like the Government to try again.

It seems that we have allowed a relatively simple matter of discounts to become unnecessarily bound up with other pay and allowance-related questions and with quarters entitlement. I suggest that that is not the best way to approach the matter. A courteous letter, dated 27 March, which I received from the Home Secretary said:

"Now that the question of discount sales has been settled"

I hope that it has not

"we are considering whether, while retaining quarters to meet present and future demand, we can find a way to give further encouragement to those who wish to own their own home."

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Archie Hamilton.]*

Mr. Moate: The letter continued:

"We hope to be able to make an announcement shortly."

I received a letter dated 11 April from the Chief Secretary to the Treasury which stated:

"The Home Office is considering whether any further encouragement can be given, and is looking into the possibility of an advance of salary scheme, similar to that currently available to Governors. As yet no details have been worked out and if an acceptable scheme can be put together, this too will need to be put to the POA membership for their approval before it can be implemented."

I welcome those statements. It is quite clear that my right hon. and hon. Friends are anxious to promote home ownership within the prison service. There can be no doubt that if we are to continue to attract people of high calibre and dedication to the profession, it is fundamentally important that they have an opportunity and an advantage in securing a place in the housing market. That is fundamental to anybody planning a professional career. Whether that can be done by some other means of promoting home ownership, such as giving discounts, or both, I hope that we shall take some encouraging steps to help prison officers.

I stress that it ought to be possible to find a way of giving discounts or assistance in terms of costs, such as moving and legal expenses, to that small minority of prison officers who feel that they are disadvantaged. If my hon. Friend cannot give me complete answers, I hope that he can give some hope to those affected.

2.32 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): My hon. Friend the Member for Faversham (Mr. Moate) is proud of his constituency's association with the prison service. He spoke warmly of the work that has been done in his constituency. I know, from my perusal of the files in my Department, that nobody has been more assiduous than my hon. Friend in pursuing the rightful interests of his constituents in the prison service. He has made it clear, by quoting from letters, that there is a history to the matter. He has for some time been a distinguished advocate of the policies he set out today. The Adjournment debate is merely the latest stage in what has been an appropriately vigorous campaign that he has waged.

I appreciated the warmth of my hon. Friend's tribute to successive Home Secretaries who have won resources

[Mr. David Mellor]

for the prison service above and beyond anything contemplated for decades. Therefore, it is all the more sad that I suspect I shall not be able wholly to satisfy him this afternoon. Of course, I should like to be able to do so because his presentation was fair-minded and obviously committed to a common sense approach to the matters which we are trying to pursue, as he recognises.

To someone with my hon. Friend's commercial acumen and interest in the spread of wealth throughout the community, I can understand why he thought it was a straightforward matter for the Government to introduce a scheme to make it possible for the discount purchase of prison officers' accommodation. As my hon. Friend knows, although he was kind enough not to advert to it, it was possible in slightly different circumstances in 1981 to introduce just such a scheme for officers in Scotland. I appreciate why my hon. Friend feels that our position is a little exposed.

Our difficulty is that all of this is bound up, whether we like it or not, with long-established conditions of employment. We have to take the greatest care to ensure that any changes with major implications for the longer term are broadly acceptable to all staff. I understand the point made by my hon. Friend about all staff being consulted, but that is not so much a matter for us as one for the internal regulation of the Prison Officers Association which plainly sets great store by its accountabilty to its membership as a whole. In a broader context, we can understand why that is.

My hon. Friend has given an account of some of the alternative points that we have advanced. My Department, like every other Department, honours the Government's declared policy of encouraging home ownership. I take pride in the fact, as does my hon. Friend, that 62 per cent. of our fellow citizens own their own homes. There has never been such a high home ownership figure in our country's history. It is one of the Government's many major achievements. As the election approaches, the public will become aware of how much we have done and be all the more reluctant to make any changes.

My hon. Friend has gone into detail, and I should, too. For some time we have been involved in considering the conditions of employment of prison officers. All prison officers, other than auxiliaries and night patrols, are entitled to a free quarter if one is available. Until 1979 they were allowed to live in private accommodation with the benefit of an allowance only for as long as a quarter was not available. That was a restrictive rule. When a quarter was available, they were compelled to move into it or they lost their allowance.

In 1979, when the Conservative party came to office, we thought that that was not appropriate, so we negotiated a major change in conditions which gave prison officers a reasonable degree of choice between occupying free quarters and drawing an allowance to live in their own house. That was part of our policy of promoting the growth of home ownership. My hon. Friend has already said, but it bears repeating, that as a result the number of staff living out of quarters has increased over a seven-year period from one third to two thirds—a greater increase than the growth in home ownership in the community overall.

While operating against the background of increasing recruitment to the prison service, we have been able to retain sufficient quarters to meet demand. Where the new agreement resulted in a real and permanent surplus of quarters at a particular prison, and they were not needed by another prison within daily travelling distance, the surplus houses have been sold on the open market or to staff at full market price. About 2,500 houses have been disposed of in that way, most of them, however, in the valuable lower-cost sector suitable for first-time buyers and the like.

Apart from basic provision at new establishments, it has not been necessary to add to the general stock of quarters, although we are refurbishing some older properties, especially in the London area, to bring them back into use to meet a growth in demand. There is no doubt that some staff, particularly when they join the service and when they want to transfer, find quarters attractive as a condition of employment. Decoration and maintenance—internal and external—are carried out by the Department, and most quarters now have central heating and are of a good modern standard.

The conditions of employment of prison officers also include a notional addition to pay for pension purposes called the pensionable value of quarters. This addition is also taken into account in calculating rates of overtime and in fixing a percentage enhancement of pay called a shift disturbance allowance. The pay, earnings and pension of the two thirds of prison officers living in private accommodation with the benefit of an index-linked housing allowance also attract these additions. My hon. Friend will, I hope, understand that if a scheme for the discount sale of quarters had been agreed, it would have meant the end of quarters provision as a condition of service. We could not both retain an entitlement to a quarter and at the same time sell off at a discount, as we would have had to do, the very stock of quarters that enable us to make that entitlement a reality. The associated conditions of service would have no longer applied. This leaves on one side, of course, the operational and mobility problems which might be posed if no quarters were available, especially in view of the remote location of some of our prisons.

There have been considerable discussions and negotiations about discount sales with the Prison Officers Association from 1983, when the matter was first raised, and when my hon. Friend, quick off the mark, took it up. We have all been involved for three years. In 1980, when two thirds of prison officers still occupied quarters, consideration was first given to a scheme of interest-free advances of pay to help with house purchase by those who wished to exercise their newly-acquired freedom to live in private accommodation with an allowance. Unfortunately, a national dispute arose at that time, and until it was finally settled we were not able to offer that scheme to prison officers. It was, however, introduced for governor grades and chaplains in 1981.

In 1983, before the terms for the final settlement of the 1980-81 dispute were conclusively resolved, the national conference of the Prison Officers Association instructed its national executive committee to seek an offer of a discount sales scheme of some kind. I should emphasise that the initiative in this matter was taken by the association and that we made it clear from the beginning of the negotiations that then ensued that we could only consider

a scheme of discount sales that recognised and dealt satisfactorily with the entitlement to free quarters and the various linked benefits.

The negotiations then led to an offer of discount schemes, an enhancement of pay and a lump-sum payment to staff to take account of the end of the entitlement. That offer was put to the 1984 annual conference of the POA and rejected, but there was sufficient interest in the matter for the POA to return to ask for negotiations on a different kind of offer. The main objection of the conference was to the lump-sum arrangement, and following further discussion a second offer was made, which included a larger increase in basic pay, which in turn fed through into rates of overtime and other payments. The POA put that matter to a national ballot of its members, but the result was against acceptance of the offer. The voting indicated, however, a continuing interest in an agreement, and after the 1985 conference we were asked to consider a further and final offer. Negotiations then led to two final and alternative offers, one of which provided for a residual allowance. These were again put to a national ballot by the POA, and this time the results were heavily against the acceptance of either offer.

We have since been asked about the interest-free advance of pay scheme, which has the advantage that it can apply either to the purchase of a surplus quarter or to a move into private housing. We are currently considering such a scheme for prison officers, although my hon. Friend will understand that the POA is currently in dispute with us over another matter, and the resolution of that is being given priority. We hope that that will soon be out of the way. We have, however, been told by the POA that the following motion was overwhelmingly adopted at the association's 1986 conference. I do not know whether my hon. Friend has seen it, so I shall read it. It states:

"This Conference is of the view that entitlement to quarters should remain a condition of employment for prison officers and that quarters disposal should be limited to those quarters which can be recognised as being genuinely surplus to foreseeable demand."

The passage of that resolution suggests that the offers made and the two national ballots have caused prison officers to look very carefully at the long-term value of a quarters entitlement and the linked pay, allowance and pension benefits, which are so tightly bound.

Before 1979, when prison officers were obliged to occupy quarters and could not easily get permission to live in private accommodation, quarters were seen as a mixed blessing, but when we changed the rules in that year to give greater freedom this major disadvantage was removed. Quarters seem now to be perceived as a valuable condition of employment, and this is borne out by the following second conference motion, which also attracted overwhelming support:

"Now that discount sale of quarters has twice been rejected by the membership this Conference authorises the NEC to negotiate with the Home Office for married quarters to be treated as a priority matter and sufficient quarters to be purchased to give a good living standard to all members who wish to live in quarters and that blocks of flats gradually be phased out."

I appreciate that that is the collective view of the membership of the POA, with the structure that my hon. Friend has suggested. I know that some members of staff would like to be given some sort of discount if they are allowed to purchase quarters. But our difficulty is discriminating in favour of an individual in a matter that is part of the conditions of employment of the whole group. That is why it has been impossible to recognise the distinctions that my hon. Friend made about the positions in which different people find themselves.

My hon. Friend was careful not to be parochial in his speech, for which I commend him, but some facts were looked out for me on Standford Hill prison. It might be helpful if I explain that about 15 vacant quarters there are being kept for staff at the new Swaleside prison, also in my hon. Friend's constituency, when it opens in 1988. If, as might be expected, some Standford Hill staff move into private accommodation between now and the opening of the new prison, that will release more quarters for incoming staff. Our current forecast is that all the Standford Hill stock of 54 quarters will need to be retained for use by staff of the two prisons. That is why it seems unlikely at this stage that any of those quarters will be released for sale.

I understand the disappointment of individual members of staff who have been placed in a position of uncertainty because of the protracted negotiations over the past three years. We have tried honestly and sincerely to get an arrangement that would be acceptable and would lead to a successful outcome to a difficult issue. But it has been conclusively demonstrated that the view of the majority of prison officers is against the change in their conditions of employment that a discount sales scheme would involve. In the light of that outcome, we believe that a scheme of interest-free advances of pay for assistance with house purchase, similar to that introduced for governor grade staff in 1981, is probably the best way forward.

Mr. Moate *indicated assent*

Mr. Mellor: I am glad that my hon. Friend agrees. That links us.

We think that is the most viable way in which we can give further encouragement to those who want to become home owners. I assure my hon. Friend that we shall explore that possibility with the POA in the coming months. We know that he will continue to take an interest and that we shall have to give an account of ourselves regularly, which we welcome, because there is nothing like interest from the House of Commons for stimulating officials and Ministers to keep their teeth in a problem, however thorny it has proved to be.

I hope that what I have said has not been too disappointing. The history that I have charted has shown that the matter has not been straightforward. If it had been, we would have resolved it. There is now a further window of opportunity, which we shall do our best to get through.

Question put and agreed to.

Adjourned accordingly at thirteen minutes to Three o'clock.

House of Commons

Monday 16 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ALCOHOLICS ANONYMOUS (DISPOSITIONS) BILL [*Lords*]
Read a Second time, and committed.

Oral Answers to Questions

ENERGY

Energy Efficiency

1. **Mr. Patchett** asked the Secretary of State for Energy if he is satisfied with the arrangements made for the promotion of energy efficiency by British Gas and the area electricity boards.

The Secretary of State for Energy (Mr. Peter Walker): Yes. The gas and electricity industries have already organised over 200 events for Energy Efficiency Year. I am grateful to them and look forward to their further support in the next major stage of our initiative in the autumn.

Mr. Patchett: Will the Minister actively encourage British Gas to apply its huge surplus profits to improving customers' energy efficiency rather than the Government taking those profits to finance tax cuts?

Mr. Walker: British Gas has a vested interest to encourage the most efficient use of gas because, in competition with electricity and oil, it is an essential thing to do, and British Gas is doing that.

Mr. Bruce: What are the implications of the concession made in another place that, after privatisation, British Gas will have specific responsibility to promote energy efficiency over and above what was written into the Bill in this House?

Mr. Walker: In the other place we have recognised that certain things which would take place might as well be expressed as taking place, and there is no doubt that British Gas will be doing that.

Mr. Rowlands: Are not British Gas and the electricity industry in a unique position to promote energy efficiency and such things as home energy audits? Is there not a duty on those major energy producers to encourage and develop efficiency and energy conservation on a much broader scale than is taking place?

Mr. Walker: More is being done by both industries than has ever been done. My answer to the main question illustrates that. I am delighted at the collaboration that is taking place.

Energy Efficiency Year

2. **Mr. Evennett** asked the Secretary of State for Energy if he will make a statement on progress with Energy Efficiency Year initiatives.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): My right hon. Friend's Monergy 86 initiative is fast becoming one of the most successful campaigns ever. Already more than 750 events have taken place, and we are well on the way to surpassing by a big margin my right hon. Friend's target of 1,000 events. We have issued 140,000 domestic, industrial and educational packs in response to requests generated by our advertising campaign, in addition to the millions of leaflets delivered to households across Britain. Over 3,000 top executives have attended the first six of our Energy Efficiency Year breakfast briefings.

Mr. Evenett: I thank my hon. Friend for his reply and congratulate him on the success of the project. Is he prepared to see an ever-increasing role for energy managers, and does he agree that they have an important role to play in promoting energy efficiency?

Mr. Hunt: I am delighted to confirm the important role played by energy managers in getting the monergy message across. My right hon. Friend set a target for doubling the number of energy managers. That has already been achieved, and we want to see a further doubling of that figure. I welcome the excellent job performed by energy management groups, of which the Bexleyheath management group, in my hon. Friend's constituency, is a fine example. Energy managers are the front-line troops in this vital campaign.

Mr. O'Brien: Is the Minister aware that there are still areas where there is a lack of knowledge about energy efficiency, especially in poorer areas? Will he ask energy efficiency boards to make a special effort to bring more knowledge of the improvements that are necessary for energy efficiency in areas of gross unemployment and in the poorer sections of the community?

Mr. Hunt: I am surprised to hear that, but I join the hon. Gentleman in wishing to see the monergy message distributed as widely as possible, especially to those sections of the community who most need help. My right hon. Friend has spearheaded a substantial increase in the grant to the neighbourhood energy action group, and there has been a massive increase in the number of groups which directly help in an efficient way those faced with high fuel bills who need to insulate.

Nuclear Emergencies

3. **Mr. Chapman** asked the Secretary of State for Energy if he will report on his Department's initiatives in the light of the agreement reached at the Tokyo economic summit recommending that an international convention be drawn up committing the parties to report and exchange information in the event of nuclear emergencies.

Mr. Peter Walker: The board of governors of the International Atomic Energy Agency at an emergency meeting on 21 May agreed, with the full support of the United Kingdom, an outline programme of action to improve co-operation in nuclear safety following the Chernobyl accident. This included the establishment of an expert group to draft a binding international convention

on reporting and exchange of information on nuclear accidents with possible transboundary effects. The United Kingdom attaches the highest importance to this and will participate fully in this work.

Mr. Chapman: I am grateful to my right hon. Friend for that information. Does he agree that in all matters relating to civil nuclear power it is essential that agreements, understandings and exchanges of information should be organised on an international basis, not least for our country—perhaps my right hon. Friend will confirm this—as there are 13 foreign reactors within 100 miles of the shores of Britain and a further 14 within 200 miles?

Mr. Walker: Yes, it is very important that the subject is organised on an international basis, and I believe that the International Atomic Energy Agency is the right forum for that. I assure my hon. Friend that we shall give every support to its activities.

Mr. Barron: Does the Minister agree that, after the Chernobyl disaster, we should start looking at the situation at home in view of the discrepancies that emerged between the reports and diagnoses from the tests on the fall-out cloud that came over Britain? Does he agree that we should sort out our own nuclear industry so that people do not feel the present distrust?

Mr. Walker: I do not share the hon. Gentleman's view. I believe that careful study will show that the various organisations and services in this country acted very efficiently and well, but there is certainly a need for greater international collaboration.

Dr. Michael Clark: Does my right hon. Friend agree that there should be an exchange of information among all countries operating nuclear power stations, not just when nuclear accidents occur, but at all times in the course of routine operations, so that experience gained in one country can be passed on for the benefit of others?

Mr. Walker: I very much share that view. That exchange has been taking place effectively between certain countries of the European Community for quite some time. Chernobyl showed the importance of doing that on an international basis.

Mr. Orme: As the Secretary of State will be aware, the CEGB is engaged in a detailed review on safety of the elderly Magnox stations. When will that review be completed, and will the right hon. Gentleman publish it so that the country can see all the details?

Mr. Walker: The review is being carried out by the Nuclear Installations Inspectorate, not the CEGB. The inspectorate has that task and the CEGB is collaborating fully. It is up to the inspectorate to decide what to publish.

Coal

4. **Mr. Douglas** asked the Secretary of State for Energy if he will make a statement on the effect of the current fall in oil prices on the demand for coal, with particular regard to the proportion of coal output taken by electricity boards.

Mr. Peter Walker: The current fall in oil prices is reflected in the successful discussions that the National Coal Board has completed with the CEGB. This agreement will enable the CEGB's coal demand to be maintained at its previously planned level and electricity consumers to benefit from lower prices.

Mr. Douglas: That was a reasonably interesting reply, but does the Secretary of State agree that we should be considering energy policy overall? Will he consult his colleague the Secretary of State for Scotland to see what effect the fall in oil prices is having on the coal burn in Scotland? Is he aware that if Torness comes on stream—I hope that the Government will review that in the light of the right hon. Gentleman's previous answer—it will imperil the jobs of about 2,000 miners and the coal industry in Scotland will be linked to just one power station, in the Longannet complex? Will the right hon. Gentleman take that consideration on board?

Mr. Walker: It is not Torness that is making the difference in Scotland, but the fact that there is a certain amount of oil firing where there are facilities for it. Talks are taking place between the National Coal Board and the South of Scotland Electricity Board and I hope that they will be successful.

Sir Trevor Skeet: Does my right hon. Friend agree that as the oil price goes right down to $10 per barrel it will be unreasonable not to take into account the customers' wish for electricity at the cheapest possible price, bearing in mind a certain responsibility to the coal industry?

Mr. Walker: Yes, but it is also right for the CEGB to take into account the fact that oil prices have been known to rise to $30 as well as to fall to $10. Rather than relying on the uncertainty of that market, when we have an important form of energy of our own, which one hopes will become more competative through improved productivity, I am sure that for the long-term assurance of supplies it was right for the CEGB to enter into that important five-year agreement.

Mr. Mason: The fall in oil prices has already cost the NCB an average of £3 a tonne in its recent contract with the CEGB. To what extent will that cause the NCB to fail in its financial objectives next year, and to what extent does the Secretary of State envisage more pit closures as a result?

Mr. Walker: Obviously, if an industry suddenly loses £300 million a year of revenue, that will put pressure on it. I expect that that will make it difficult for the NCB to fulfil its financial targets next year as envisaged on the basis of the previous ruling price. Obviously it will put further financial pressure on the NCB.

Mr. Rogers: Is the Secretary of State aware that as a result of the CEGB agreement cuts have already been announced in south Wales of about 10 per cent. in manpower and more than £20 million in revenue to that coalfield? Is he further aware that during the past year the south Wales coalfield has come back into a profitable position and is making money, yet suddenly the goal posts are changed again? Why does the Secretary of State not intervene so that we may have a planned energy policy, instead of continually lurching from crisis to crisis?

Mr. Walker: If we had a planned energy policy such as the hon. Gentleman envisages and our competitors throughout the world did not have similar plans, if we were not careful we could cause a great deal of unemployment and hardship. The last time we had a planned energy policy was under the Labour Government who came in in 1964, and every one of their plans was violated and broken.

Mr. Favell: Does my right hon. Friend agree that recent events have shown how right Sir Ian MacGregor has been to drive for viability during his period as chairman? Will he take an early opportunity to wish Sir Ian well and to congratulate him on his well-deserved honour?

Mr. Walker: Yes. As a result of the improved productivity figures, the heavy capital investment in that industry is at long last showing some return.

Mr. Eadie: Surely the Minister must be aware that the understanding – it is not an agreement or a contract – with the CEGB on coal burn will mean more job losses in the coalfields in England and Wales? Indeed, the Secretary of State practically admitted that in answer to my right hon. Friend the Member for Barnsley, Central (Mr. Mason). How many job losses will there be as a consequence of that? Can he explain to the House, when at present in Scotland the total coal production of some pits is going to stock, why the South of Scotland Electricity Board has never tried to have an agreement, a contract or an understanding signed before now? Is it because it is so busy trying to push ahead with the commissioning of Torness?

Mr. Walker: I am surprised at the hon. Gentleman not rejoicing in the fact that in spite of the immense attractiveness of the present oil price the CEGB has agreed to enter into an agreement with the NCB which will guarantee that 75 per cent. of the NCB's production continues to go to the CEGB for some years to come. I am surprised that there is not more rejoicing on the other side of the House about that.

Mr. Kennedy: How can it be consistent for the Secretary of State to argue in this context that he welcomes the fact that the market is responding dramatically to the falling oil price and he sees it as clear evidence of the changed conditions, yet at the same time to argue that the falling oil price has not brought any significant change in the market which would encourage the Government to begin to look favourably on the pledge about incremental investment which the Chancellor of the Exchequer gave in the Budget in March?

Mr. Walker: The Chancellor of the Exchequer made it clear that he was going to study the position of incremental investment. The majority of oil companies recognise that if we have a fluctuation in the oil price which started only a few months previously the Government will not immediately change the taxation system. If the price moves in the opposite direction, I doubt whether we shall hear many oil companies suggesting that the tax change quickly in the opposite direction.

Combined Heat and Power Schemes

5. **Mr. Hickmet** asked the Secretary of State for Energy if he will make a statement about progress on combined heat and power schemes.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): I understand that the consortia who are preparing prospectuses for CHP in Belfast, Edinburgh and Leicester are making steady progress.

Mr. Hickmet: I thank my hon. Friend for that reply, but does he agree that if we fail to take advantage of those proposals we shall fail to maximise the energy resources that are available to us? If such schemes are adopted, will it not mean that in the end energy and heat will become cheaper? Is my hon. Friend aware that, leaving aside the question of power stations, my constituency could be heated with the power that is lost through the blast furnace at Scunthorpe steelworks?

Mr. Hunt: My hon. Friend is right to highlight the Government's role. The Government have taken steps to encourage the development of CHP through the Energy Act 1983, which created a guaranteed market for the sale of electricity from CHP schemes and placed a duty on electricity boards to adopt and support viable projects, so we do want CHP district heating to go ahead wherever it is economically viable.

Mr. Meadowcroft: Will the Minister confirm that the thorny problem of individual metering for CHP for consumers has largely been resolved and there is no technological inhibition to its being introduced? Will the Minister give financial encouragement to local authorities to introduce it in their dwellings?

Mr. Hunt: I understand that the problem connected with individual metering has been resolved and I shall carefully consider the hon. Gentleman's point.

Mr. Speller: Does my hon. Friend agree that the progress of CHP is laudable, along with all the other sources of alternative energy which Her Majesty's Government are now seeking to support? Will he give us an undertaking that they will continue to support those alternatives, perhaps in preference to other more old-fashioned energy sources?

Mr. Hunt: I cannot give my hon. Friend a guarantee in those terms, although he has been one of the leading Members of the House who have been pressing for renewable energy sources to be given their correct priority. I can assure my hon. Friend that, despite any other factors, renewable energy sources will continue to receive the high level of Government support that they have received in the past five years.

Mr. Barron: Does the Minister accept that the Government's response to CHP has been small when one looks at some of our competitors in western Europe? It may be years before a plant becomes operational in the three lead schemes. Does the Minister accept that if, over and above the present lead schemes, CHP schemes were to be introduced quickly, it would bring jobs to areas in need such as the inner cities and into the steel industry and other industries?

Mr. Hunt: I am not sure that the hon. Gentleman understands the subject. The Government have helped to reduce uncertainties by making available financial help to local consortia to carry out the current work programmes. Surely the hon. Gentleman recognises that until those studies have been completed it is not possible to be specific about a way forward. However, I have clearly laid on the line the Government's intentions in that matter.

Mr. Peter Bruinvels: I represent the trial area of Leicester, which has been a great supporter of CHP. Can my hon. Friend give any estimate of the number of jobs that could be created, or the likely savings that will be of great benefit to consumers throughout Leicestershire? Surely this is a project from which other parts of the country will soon benefit as much as we have done?

Mr. Hunt: Yes, I pay tribute to my hon. Friend's constructive approach. I also pay tribute to his perseverance in lobbying on behalf of the Leicester consortium. I was happy to visit Leicester to receive a presentation from the consortium recently. I understand now that it expects to be the fist to complete its work programme by autumn 1986 and I look forward to receiving its report.

Energy Efficiency Year

6. **Mr. Haynes** asked the Secretary of State for Energy when he plans to brief local authority associations on the work of his energy efficiency office in Energy Efficiency Year.

Mr. David Hunt: The Government appreciate the helpful part played by the local authority associations, in advising the energy efficiency office on relevant initiatives, and in promoting the benefits of effective energy management to their members. My officials keep in regular contact with representatives of local authorities and their associations on a range of activities.

Mr. Haynes: I am not at all happy with that answer. When will the Minister pull his finger out? Local authorities can make a massive contribution to energy efficiency, yet here we are six months into Energy Efficiency Year and they are fiddling around while we burn energy inefficiently? Why does the Minister not wake up and get something done about it?

Mr. Hunt: I responded positively to the hon. Gentleman, but I remind him that a large number of major initiatives are proceeding at present and the evidence is that local authorities are responding well to the opportunities for energy savings, which were highlighted in particular by the Audit Commission, the local authority associations and many others.

Mr. Philip Oppenheim: If the energy efficiency campaign is the success that everyone expects it to be, could this not lead to a reduction in the use of coal in power stations and hence an increase in coal stocks? Would not one answer to that problem be the extension of the grant of concessionary coal to the many thousands of miners who were made compulsorily redundant during the 1960s and who did not qualify for concessionary coal allowances, even though they contributed coal to coal pools when they were in work?

Mr. Hunt: All the energy utilities have a great deal to expect from the public in terms of more efficient energy use. My hon. Friend asked about concessionary coal. I admire his perseverance in this matter, and we are carefully considering his further representations.

Mr. Rowlands: Has the Minister seen the energy efficiency chart prepared not only by local authorities but by a large number of other organisations involved in energy efficiency? Will he consider adopting that chart as a sensible pragmatic approach to energy efficiency?

Mr. Hunt: My right hon. Friend welcomed the constructive report by the Association of Metropolitan Authorities, and much of its advice about energy management is echoed in the Audit Commission report, which cited the AMA report as a valuable reference source. I understand that my Department's energy efficiency office has agreed to a meeting to discuss progress, and I look forward to further progress being made.

Energy Audits

7. **Mr. Tony Lloyd** asked the Secretary of State for Energy what plans he has to promote the development of energy audits targeted on low income households.

Mr. David Hunt: The energy efficiency office continues to work on the development of home energy audits at a price that householders can afford.

Mr. Lloyd: Is not the question of the price that householders can afford the whole point? As I understand it, the pilot heat scheme has not been a great success precisely because people on low incomes cannot afford to pay for the energy audit. If we are to recognise the problems that that will cause this winter of deaths and of people who suffer greatly, would it not be sensible if we were to offer a free energy audit under, for example, the home insulation scheme, or must we wait for more bad headlines this winter and a change of Government?

Mr. Hunt: That question gives me an opportunity to pay tribute to the enormous impact made by the homes insulation scheme and its importance to overall energy efficiency. Under the homes insulation scheme 90 per cent. grants were introduced by this Government in 1980 and have so far helped over 300,000 elderly or disabled householders on low incomes to insulate their lofts and tanks. I highlight for the hon. Gentleman's attention the recently published monergy guide, which can be used as a basic but comprehensive do-it-yourself home energy audit. As I said earlier, we continually stress the importance of voluntary sector insulation projects. They have already insulated over 170,000 homes and expect to do a further 60,000 by the end of 1986. This is a speedy and effective way to get through to the people who need such help most.

Mr. Michael Morris: My hon. Friend will know that the trial energy audit schemes were not a success. As this is such an important subject, is there not a strong case for trying to target on new private and public sector houses so that at least we can start something positive?

Mr. Hunt: I agree with my hon. Friend. It is sad that that heat audit was not a success, but I defend my Department's participation in it because it was important to monitor its effect. My hon. Friend is right: the major focus of attention must be on new buildings.

Refuse (Oil Conversion)

8. **Dr. Twinn** asked the Secretary of State for Energy if he will make a statement on the University of Manchester Institue of Science and Technology's project to convert refuse into oil.

Mr. David Hunt: My Department is arranging to have an independent evaluation of the refuse to oil process carried out by a firm of consulting engineers. This assessment will be put in hand shortly and should provide an up-to-date appraisal of the technical and economic prospects and of the major problems that remain to be overcome.

Dr. Twinn: I welcome my hon. Friend's reply. Does he realise that we have in Edmonton the country's largest

waste incinerator, which is already producing and recycling waste and producing 158,000MW hours of electricity a year? Can he reassure the House that the Government will continue to look for uses for waste to make sure that we get energy from it?

Mr. Hunt: Yes. I agree with my hon. Friend. I know that the country's largest municipal waste incinerator, which handles 400,000 tonnes of waste a year, is located in his constituency. My Department puts a great deal of money into researching ways of ensuring that we make the maximum use of waste. My hon. Friend has previously used the slogan that the nation cannot possibly afford to waste waste.

Mr. Douglas: Can the Minister give us more details about the project? Do the terms of reference include an examination of scaling up and comparisons with other projects, including the deriving of oil of gas from coal?

Mr. Hunt: A study of the Greater Manchester council – UMIST project on the liquefaction of rubbish to oil was made by my Department's energy technology support unit last year. The indications were that while there appeared to be great potential in the project, a number of technical, economic and scale-up problems still needed to be overcome. The unit's assessment suggested that the process would provide less energy and at a considerably higher cost than direct combustion of refuse and would require a subsidy of about £22 per tonne to break even. However, following representations from my hon. Friend the Member for Altrincham and Sale (Sir F. Montgomery), I have agreed to a further study being carried out.

Sir Fergus Montgomery: Is my hon. Friend aware that I am most grateful to him for responding to my request to have the project reviewed? One of the leading exponents is Professor McAuliffe, who is a distinguished scientist and one of my constituents. Will my hon. Friend follow my example and visit UMIST to see the Manoil project for himself?

Mr. Hunt: I find my hon. Friend's request irresistible, particularly as he invites me to follow his example. I should welcome an opportunity of seeing the process for myself, and I shall make arrangements to do so as soon as possible.

Mr. Eadie: The hon. Gentleman must give the House more information, because he knows that Salford university's industrial centre carried out a feasibility study on that Manoil project and concluded that a commercial plant, at a cost of £12·5 million, would be feasible. How does the hon. Gentleman propose to fit that work into the remit of the independent consultant engineers? What will their review cost? The hon. Gentleman must also tell us why Harwell has so dramatically changed its mind.

Mr. Hunt: I reject the final point made by the hon. Gentleman, but surely he accepts that where we have a potential of this magnitude it is necessary to conduct the most comprehensive studies. I shall let the hon. Gentleman know the cost, and I accept his view that the study by the consultant engineers must have the widest possible remit so that we can look to the future and examine the potential of the process.

Energy Efficiency

9. **Mr. Stevens** asked the Secretary of State for Energy if he will estimate the latest figure of annual savings in energy costs which have been achieved by industry and commerce energy efficiency schemes.

Mr. David Hunt: Action taken by participants in energy efficiency schemes supported by my Department is currently leading to annual savings of £500 million, but much more is possible. Improved energy efficiency in industrial and commercial buildings alone could save £800 million a year.

Mr. Stevens: I thank my hon. Friend for that encouraging reply. Does he agree that in view of the potential saving of £2 billion from the energy efficiency schemes they could play an important part in helping British industry to be competitive? Will he continue to highlight those schemes and the savings that come from them?

Mr. Hunt: Yes. My hon. Friend is absolutely right to highlight the fact that we cannot afford for a moment longer to allow £2 billion to be wasted in industry and commerce. We are talking about bottom-line savings, because they can feed straight through to making products and services more competitive. They also release more money for investment and, as well as releasing more money for profits, they can produce greater job security for the future.

Domestic Energy Saving

10. **Mr. Meadowcroft** asked the Secretary of State for Energy whether further resources will be made available for domestic energy saving.

Mr. David Hunt: This Government's Energy Efficiency Year already represents a massive step up in the campaign to overcome market barriers and to improve standards of energy efficiency in the home.

Mr. Meadowcroft: Is it not true that the amount allocated for that purpose has not been taken up in recent years? Should we not have new incentives, such as grants for thermostats and more money for the voluntary sector scheme, which is working so well?

Mr. Hunt: The hon. Gentleman is right to pay tribute to the way in which the homes insulation scheme has been successful in promoting the insulation of lofts and tanks. However, the history has always been one of underspend. The 1986-87 homes insulation scheme allocation is expected fully to meet total demand. That scheme is a crucial part of any campaign to introduce greater energy efficiency in the home. I shall carefully consider the hon. Gentleman's points.

Gas and Electricity (Standing Charges)

11. **Mr. Greenway** asked the Secretary of State for Energy if he will make a statement on the ending of the scheme for making refunds on standing charges for gas and electricity.

The Parliamentary Under-Secretary of State for Energy (Mr. Alastair Goodlad): Tariffs are a matter for the industries. As they made clear when ending the schemes, these had proved to be much more costly than anticipated

and were largely providing help to those who clearly did not need it — for example, second home owners. The ending of the schemes was welcomed by the consumers' and consultative councils.

Mr. Greenway: Does my hon. Friend agree that it was right to end the scheme for second home owners who clearly did not need it, but that it was a tragedy to end it for small users, who were generally elderly pensioners or unemployed people who, to my own knowledge, saved on the use of energy in order to benefit from the scheme? Will he have talks with the industry with the intention of restoring the scheme for pensioners and those on very small incomes?

Mr. Goodlad: My hon. Friend is uncharacteristically incorrect in saying that most of the scheme's beneficiaries were pensioners and those on low incomes. Standing charges cover unavoidable costs incurred by the industries in keeping supplies available, such as maintenance, meter reading, accounting and billing, and emergency services. Abolition would penalise many of the less well off, because lost revenue of £550 million for each industry would have to be recovered through increased unit charges. That would harm those with large heating needs, such as the sick, the disabled, the very young and the old.

Mr. Haynes: When will the Minister wake up to the fact that standing charges have been a backdoor method of increasing prices for long enough? As the hon. Member for Ealing, North (Mr. Greenway) asked, when will the Minister take note of pensioners and those on low incomes? Those changes are among the items from which they seek relief. Will the Government seriously consider abolishing standing charges altogether?

Mr. Goodlad: As I said to my hon. Friend the Member for Ealing, North (Mr. Greenway), there is no reason to abolish standing charges. The hon. Gentleman will realise that help to the less well off is best directed through the social security system. As he will know, the Government have done much to improve provision under the social security system. Supplementary benefit is up 6 per cent. in real terms, and more than £400 million was spent on heating additions in 1984-85, which is £140 million more in real terms than was spent in 1978-79.

Mr. Peter Bruinvels: I do not normally agree with the hon. Member for Ashfield (Mr. Haynes), but standing charges cause great anxiety to my constituents, particularly the elderly. Should not the cost of the meter, and so on, be included in the tariff, so that one pays more the more energy one uses? Let us do away with standing charges. They are an unfair way of taxing the elderly.

Mr. Goodlad: As I have said, it would be disadvantageous to the elderly if the cost of standing charges was included in the unit rate, particularly for those who use a lot of energy as opposed to those who do not use much, but who give rise to certain charges to the industry.

Mr. Bruce: Will the Minister acknowledge that pensioners feel strongly about this issue and that those who do not qualify for heating allowances but who are on low incomes suffer the full brunt of the Government's pricing policy, which is to force up the price of energy? If the Minister is not prepared to abolish standing charges, which is what most people want, he should come up with an acceptable alternative that will benefit pensioners who do not get fuel allowances, and not just say that it cannot be done.

Mr. Goodlad: It would not be to the benefit of pensioners overall if standing charges were abolished. The hon. Gentleman is not correct to say that we have been forcing up the price of energy. In the three years 1982 to 1985, domestic electricity prices rose by only 6 per cent. Under the Labour Government they rose by 2 per cent., on average, every six weeks. Domestic gas costs the same in real terms today as it did in 1970.

Nuclear Power Industry

12. **Mr. Pike** asked the Secretary of State for Energy if he plans to raise the question of safety standards in the nuclear power industry with the European Council of Ministers.

Mr. Peter Walker: At its meeting on 3 June the Energy Council discussed the implications of the nuclear accident at Chernobyl. Member states of the Community agreed that internationally the appropriate forum in which to take follow-up action on nuclear safety issues is the International Atomic Energy Agency.

Mr. Pike: What recent reviews have taken place on the safety factors of our Magnox stations, and what future reviews are planned? Will information about the safety of those stations be published and fully discussed by the European Council of Ministers?

Mr. Walker: I am pleased to say that the Nuclear Inspectorate of this country has total control over nuclear safety. It is independent, and it constantly inspects and reviews all nuclear installations.

Severn Tidal Barrage

14. **Mr. Heathcoat-Amory** asked the Secretary of State for Energy what recent representations he has received about proposals for a Severn tidal barrage.

Mr. Peter Walker: My right hon. Friend and I have received a number of representations about the content and timing of the publication of the report by the Severn Tidal Power Group. We are now considering this report, and obviously these comments will be taken with consideration. The Severn Tidal Power Group hopes to release its report shortly.

Mr. Heathcoat-Amory: Can my right hon. Friend confirm that the Severn Tidal Power Group's report has been held up by his Department? Will he ensure that the report is published sooner rather than later, in view of the intense interest in the west country in the barrage?

Mr. Walker: There is no disagreement between my Department and the power group about the date of publication. One must recognise that potentially the Severn barrage is the second biggest tidal barrage in the world and therefore an important consideration. The study group and the Government, who partly financed the study, are anxious to prepare the publication carefully, and I hope that the report will be published in the near future.

THE ARTS

Afro-Caribbean and Asian Arts

52. **Mr. Tony Banks** asked the Minister for the Arts what progress the Arts Council is making in directing 4 per cent. of its expenditure to Afro-Caribbean and Asian arts.

The Minister for the Arts (Mr. Richard Luce): Responses to the Arts Council's plan are now being received and will be discussed at the council's meeting in July.

Mr. Banks: I welcome the Arts Council's initiative, but is the Minister aware that no new money is involved and that therefore its impact will be somewhat lessened? Is he further aware that the Arts Council has just given a £100,000 revenue grant to the black arts centre at the Round House, which is now in a critical position because of its loss of GLC funding?

Will the Minister give £1 million capital grant towards the £8·5 million required to allow the Round House to flourish as a centre for Afro-Caribbean and Asian arts in London? Is he aware that the black community cannot raise that sum through the business community? The Minister may care to reply in the affirmative during the debate on the arts on Friday.

Mr. Luce: The hon. Gentleman asks two questions. First, the resources for the minority ethnic groups have to come out of the Arts Council's total budget. I think that it has made a sensible decision in deciding to set aside 4 per cent. of its total expenditure for that purpose. It will be distributed to areas where the ethnic minority groups are the strongest.

Secondly, the Arts Council has given £100,000 revenue funding to give the Round House time to decide, in conjunction with the London Residuary Body, how to deal with its redevelopment plans in the long term. The Round House is to be given transitional funding to enable it to decide on long-term planning.

Outturn Expenditure

53. **Mr. Key** asked the Minister for the Arts what he estimates the outturn expenditure of his office will be for the current year.

Mr. Luce: My cash limit for the administrative costs of running the Office of Arts and Libraries is £1·2 million in the current year. This is just a little over a third of 1 per cent. of my total programme of £321 million for the year. It is certainly my aim that the office should provide good value for money to the public and the arts.

Mr. Key: That is a substantial sum. Will my hon. Friend allay fears that the price of success in artistic and financial terms in the provincial theatre is a sudden cut in grant from the Arts Council? Will he come to Salisbury, to the Playhouse theatre, and see for himself the impact of his policy?

Mr. Luce: My hon. Friend might be interested to know that the deputy chairman of the Arts Council, Sir Kenneth Cork, is conducting a study on how to subsidise theatres and in the autumn will be producing recommendations on the policies that should be pursued. I can assure my hon. Friend that the Government's policy is to keep up overall funding for the arts.

I am aware of my hon. Friend's interest in the Salisbury Playhouse. I have visited it many times. I propose to go to Salisbury towards the end of July to visit the Playhouse.

Mr. Michael Marshall: Does my right hon. Friend anticipate that he may have a little more flexibility within his Department's overall expenditure as a result of the announcement made by our right hon. Friend the Chancellor of the Exchequer in the Budget?

Mr. Luce: I am grateful to my hon. Friend for raising that point. The proposed Budget changes will provide a new era of opportunity for the arts world. It is for the arts organisations to take advantage of that. Clearly, they must be efficient in fund raising and as efficient as possible in marketing. I believe that the opportunity is now there.

Sadler's Wells Theatre

Mr. Pavitt asked the Minister for the Arts if he will make a statement on the future funding of Sadler's Wells theatre.

Mr. Luce: I am confident that Sadler's Wells has all the resources for a full season in the current year and that prospects for the future are good. Arts Council grants for subsequent years are a matter to be determined at a later stage.

Mr. Pavitt: Is the Minister aware that Sadler's Wells is not only a centre of excellence for opera and ballet in this country, but has now become an international venue, visited by the whole world? We are grateful to the Arts Council and to the Minister for their efforts to preserve its short-term future, but is he aware that, because of its nature, it needs to have at least a three-year planning programme? It cannot stage an opera at the drop of a hat. Will the Minister negotiate with the Arts Council to secure revenue grants for at least three years so that forward planning can be effective?

Mr. Luce: I agree that Sadler's Wells is a great centre of excellence. Indeed, I was glad to be there last week for the 60th anniversary of the Ballet Rambert. Although Sadler's Wells is financially secure for this year, the fact is that the vast majority of its funding comes not from the Arts Council or central Government, but from a variety of other sources, including the box office and sponsorship. I am glad that Northern Telecom provided substantial sponsorship this year. In the longer term, Sadler's Wells must look not only to central Government but to a variety of sources.

Mr. Greenway: Is my right hon. Friend aware that recently I was besieged by members of a ballet class in my constituency, when 100 ballet dancers of all ages pleaded for the continuation of Sadler's Wells? I accept that it cannot have a long-term guarantee, but will my right hon. Friend assure us that he will not stand by and see Sadler's Wells go to the wall?

Mr. Luce: I imagine that that was a siege that my hon. Friend enjoyed. I assure him that the theatre workshop proposal that is being planned for Sadler's Wells is well on the road to being established, thanks to funding support from a number of sources. I am optimistic that that will help.

Mr. Chris Smith: I welcome the Minister's tributes to the work done by Sadler's Wells, but can he tell us, even

at this stage, whether the same order of funding the £100,000 package for the touring companies that rescued Sadler's Wells this year will be available next year? If not, despite the frantic efforts of Sadler's Wells to obtain private sponsorship, it will be in serious financial trouble.

Mr. Luce: I know that the hon. Gentleman, who represents that area, takes the closest possible interest in Sadler's Wells. It is not possible to give a precise undertaking beyond this financial year, because the Arts Council does not know the precise figure that it will receive for next year and the following year, only the broad planning figure. I am confident that it will be possible for Sadler's Wells to continue and that the Arts Council will be able to continue its support.

Government Achievements

55. **Mr. Murphy** asked the Minister for the Arts if he will indicate the main achievements of Her Majesty's Government with respect to the Arts in the last seven years.

Mr. Luce: The main achievements include increasing arts expenditure in real terms, safeguarding the arts against the abolition of the GLC and metropolitan counties, accelerating a major museum building programme, introducing a new scheme to encourage museums to increase their receipts, beginning the major new building for the British library, introducing public lending right and the business sponsorship incentive scheme, creating the National Heritage memorial fund, saving many heritage items and improving the arrangements for acceptance in lieu. These are some of the achievements.

Mr. Murphy: I congratulate my right hon. Friend on his brief synopsis of his achievements and those of his predecessors in honouring their commitments to the arts. Can he say where he thinks future expenditure will come from, bearing in mind the increasing quality and quantity of the arts?

Mr. Luce: I am grateful to my hon. Friend. The Government will maintain their support. The overall pattern should be that increased resources come from the private sector in a variety of ways. The Budget proposals should be a help in that direction. The business sponsorship scheme should be a help also. There are a variety of other measures that are designed to encourage extra money to be made available from the private sector. I see that as being the fuel for growth.

Mr. Freud: Despite his answer, does the Minister accept that there are now smaller audiences, greater unemployment among Equity members and more disenchantment amoung theatre administrators than there has ever been? If the right hon. Gentleman would like to be remembered as a caring Minister for the Arts, will he do what he can to stop the imposition of VAT on the living theatre, because VAT is the single greatest evil now to befall the theatre?

Mr. Luce: I know of the hon. Gentleman's interest, but he gives a poor reflection of the true picture in the theatre world. I accept entirely that there has been a reduction in theatre attendances in recent weeks and months, but over the past two to three years—the hon. Gentleman must know this — attendances have been extremely high. Theatre attendances are higher overall than attendances at football matches. That shows the amount of interest that there is in the theatre.

Mr. Cormack: I congratulate my right hon. Friend and his predecessors on their achievements. Has he assessed what the arts have achieved during the past seven years, especially in terms of earning currency for Britain?

Mr. Luce: I do not think there is any doubt that the wide range of facilities and excellence in the arts attract many tourists, not only to London, but to our other great cities and to many other parts of the country, and make a strong contribution to tourism.

Mr. Buchan: Will the Minister add to his expected lists of achievements the following? Does he accept that we have seen the disappearance of the best supporters of the arts the GLC and the metropolitan counties due entirely to the Government's actions? Will he add to his achievements the crisis into which he has plunged theatres such as Sadler's Wells for the future, despite the present position? Will he add to his list of achievements the fate of arts administrators, who have to spend their time, as they tell us, squabbling for alternative sources of funding as a result of Government cuts? Is it an achievement that our National theatre had to close one of its theatres and allow itself to be saved by the GLC? Is he aware that the director of one of our major museums tells us that for the first time he is running into the red? Is he happy that funding of the arts over seven years has collapsed by 4·7 per cent. in real terms if we use the honest indicator of the retail prices index?

Mr. Luce: I am astonished by the hon. Gentleman's supplementary question. When I first became Minister for the Arts 10 months ago, the hon. Gentleman was preaching doom and despondency as a result of the abolition of the GLC and metropolitan authorities. He said that there was a major crisis in the arts, yet there has not been. Thanks to the co-operation, not only of the Arts Council, but of the regional arts associations and local authorities, the arts organisations are surviving indeed, they are flourishing. Only last Friday the last outstanding problem on Merseyside was concluded with an injection of £1·7 million by the Arts Council and the local authorities into the region. That concludes the outstanding problems in all the regions following abolition. I think that the record is a fine one.

CIVIL SERVICE

Pressure of Work (Study)

66. **Mr. Teddy Taylor** asked the Minister for the Civil Service if he will initiate a comparative study of the pressure of work on civil servants in the various Government Departments; and what information is already available on this matter.

The Minister of State, Privy Council Office (Mr. Richard Luce): Each Department is responsible for monitoring the work load of its staff and exchanges information as to how these issues can best be handled. I can assure my hon. Friend that Ministers and senior civil service managers attach great importance to making sure that work loads are right, and not excessive. Civil servants have responded well to the demands made on them as part of our drive to increase efficiency and achieve better value

for money. I am glad to take this opportunity of paying tribute to the hard work and dedication found in all Departments.

Mr. Taylor: I agree absolutely with what the Minister has said about the character and calibre of the British Civil Service, but does he agree that there are some disturbing indications that the volume and pressure of work — for example, on staff dealing with DHSS problems — have reached an alarming level, especially in view of the increased volume of work and the problems in preparing for the social security review? Is there not a case for a comparative study to see whether there is a need for more resources, especially for DHSS staff dealing with the general public?

Mr. Luce: There is constant monitoring of the work load of civil servants in all Departments to see how they can cope with the work load, but there is flexibility in the Government's policy. My hon. Friend will be aware that my right hon. Friend the Secretary of State for Social Services has announced that an extra 5,000 civil servants will be recruited to the DHSS to help cope with the extra work load. There is flexibility in the Government's policy where work loads appear to be excessive.

Employment Qualifications

67. **Mr. Peter Bruinvels** asked the Minister for the Civil Service if he will list the organisations, membership of which precludes employment either in the Civil Service as a whole or in particular posts.

Mr. Luce: No one is precluded from employment in the Civil Service because of membership of a particular organisation. However, no one may be employed on work vital to the security of the state who is or has recently been a member of a Communist or Fascist organisation or of a subversive group whose aims are to undermine or overthrow parliamentary democracy by political, industrial or violent means.

Mr. Bruinvels: Recognising the loyalty to the Crown which is required of all members of the Civil Service, and paying tribute to the majority of them, does my hon. Friend think it proper that members or supporters of Militant should be allowed to be active supporters of the Civil and Public Services Association, such as the branch secretary, Tony Church, at Leicester's DHSS, and his chairman? Does my hon. Friend think that there is a conflict of interest when civil servants who claim loyalty to the Crown are involved in elections to an organisation about which Alistair Graham, the general secretary, has said, "Do not ever vote for Militant candidates"?

Mr. Luce: There are two points to consider in my hon. Friend's reflections. First, it is essential that, on security matters, we ensure that civil servants conform with the requirements that I set out in my answer. Secondly, in the pay and conditions of the service code, to which each civil servant has access, there is a requirement that he discharges his service and undertakes his duties loyally to the Government. That is another factor that must be borne in mind. We look to an impartial service. I believe that, in large measure, we have one.

Mr. Meadowcroft: Is the Minister not concerned at the increasing politicisation of the public service? Will he undertake to consider the conclusions of the Widdicombe report, to be published shortly, to see whether they also apply to the Civil Service?

Mr. Luce: The hon. Gentleman may have noticed that the Select Committee on the Treasury and Civil Service recently reported on its study of the responsibilities of the Civil Service and Ministers. I noted in the report, to which the Government still have to reply, that the Select Committee came to a clear view, that it did not believe there was politicisation — to use an awful word — in the Civil Service. I welcome the fact that the Select Committee came to that view.

Unions (Ministerial Meeting)

68. **Mr. Soley** asked the Minister for the Civil Service when he last met the Civil Service unions; and what matters were discussed.

Mr. Luce: I have had no formal meetings with the Civil Service unions, but I did meet them informally on 25 March, and I attended the dinner of the First Division Association on 14 May. Topics of mutual interest were discussed informally.

Mr. Soley: When the Minister had an opportunity to discuss matters informally, did he raise the question of the uncertainty surrounding the future of the Crown Agents? Can he tell the House when a supplementary report will be produced and what will be in it?

Mr. Luce: I cannot give the hon. Gentleman a specific answer to his question. It is a matter for my right hon. Friend the Minister for Overseas Development. I shall draw my right hon. Friend's attention to the hon. Gentleman's question.

Dr. McDonald: Is the Minister aware of the deep resentment within the Civil Service and among the Civil Service trade unions over the Government's pursuit of disciplinary proceedings against those who rejoined trade unions at Government Communications Headquarters? Is he aware that, to many, it appears to be a misuse of disciplinary proceedings as it implies that it is wrong to be a civil servant and a member of a trade union? Will he ensure that his right hon. and hon. Friends call a halt to those disciplinary proceedings before any punishment is meted out?

Mr. Luce: The GCHQ is a matter for my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs, who has clearly explained our policy. I have noticed that the report of the Select Committee on the Treasury and Civil Service has expressed the strong view that disciplinary proceedings should be enforced when civil servants abuse their code of conduct.

Admiralty Research Establishment, Teddington

69. **Mr. Jessel** asked the Minister for the Civil Service what discussions have taken place with the relevant Civil Service unions concerning the future of the Admiralty research establishment at Teddington.

Mr. Luce: The trade unions have been given the terms of reference for a review, which has recently begun, of the future of the Admiralty research establishment at

Teddington and have been invited to comment. The Ministry of Defence stands ready to meet the unions and to consider any comments they may have.

Mr. Jessel: As the future of the Admiralty research establishment is of great concern to 237 staff and their families, will the terms of reference for the management review include a study of whether it might be more cost-effective for the Admiralty research establishment to remain at Teddington? Will my right hon. Friend ascertain how many of the scientific and professional staff might be lost to the Civil Service if there is a move from Teddington?

Mr. Luce: Although that is principally a matter for my right hon. Friend the Secretary of State for Defence, I can answer in the affirmative to both questions.

Recruitment Schemes

70. **Mr. Gerald Bowden** asked the Minister for the Civil Service if he will make a statement on the operation of Civil Service recruitment schemes in 1985.

Mr. Luce: Seven hundred and sixty two recruitment schemes were conducted by the Civil Service Commission in 1985 to fill over 9,000 vacancies in the middle and higher grades of the Civil Service. Further information is given in the Civil Service Commissioners' annual report for 1985, which has been placed in the Library of the House.

Mr. Bowden: Are there any special incentive schemes to ensure that appropriately qualified professional, technical and scientific staff are recruited and retained in the Civil Service?

Mr. Luce: I agree with my hon. Friend on the importance of that matter. We are concerned about the recruitment, retention and motivation of scientists and people in the professional and technology groups. To that end, not only have they had a reasonable pay increase this year, but a more flexible system of pay additions has been introduced. In addition, my right hon. Friend the Chancellor of the Exchequer is considering ways in which we might improve the starting salary of graduates in the science group, with a view to helping recruitment.

Mr. Tony Banks: What is the level of black recruitment to the middle and senior levels of the Civil Service? Is the right hon. Gentleman satisfied with the progress that has been made?

Mr. Luce: Obviously I cannot give a percentage figure in answering that general question. General recruitment is not bad, but specialist groups — whether scientists or accountants — are causing concern. That is why it is important for us to have a flexible pay system, which we are now evolving, to deal with retention and recruitment problems.

Rayner Reviews (Savings)

71. **Mr. Key** asked the Minister for the Civil Service what were the savings to the Civil Service in the last financial year attributable to the Rayner reviews.

Mr. Luce: In the 1985-86 financial year, savings of £300 million were attributable to the programme of efficiency scrutinies. Scrutinies have also led to improvements in the effectiveness with which the taxpayer's money is spent.

Mr. Key: I congratulate my right hon. Friend on that remarkable achievement. Does he accept that many loyal civil servants, especially in the industrial sector, are worried that efficiency in financial terms is being allowed to override the loyalty that they accord to their jobs? Will my right hon. Friend therefore ensure that it is a matter not just of numbers but of efficiency in the Civil Service?

Mr. Luce: The Civil Service can be proud of its achievements in implementing a large number of the efficiency scrutiny reports which have taken place over the past seven years and which have produced accumulative savings of nearly £1 billion, or £300 million a year. It is the Government's objective, in full co-operation with the Civil Service, to ensure that we use our resources most efficiently and get the best value for money. That is what our taxpayers expect and what our Civil Service is achieving.

South Africa

3.33 pm

Mr. Peter Shore (Bethnal Green and Stepney): On a point of order, Mr. Speaker. With the Foreign and Commonwealth Secretary in Luxembourg, we understand why it has not been possible for a statement to be made today, but I take this opportunity to press the Leader of the House on the great desirability of having before the start of tomorrow's debate a statement by the Foreign Secretary on the report by the Eminent Persons Group, the crisis in South Africa and the result of his discussions with his colleagues in the European Council.

The Lord Privy Seal and Leader of the House of Commons (Mr. Biffen): Further to the point of order. The right hon. Gentleman raised this matter with me during business questions last week and I undertook to draw the attention of my right hon. and learned Friend the Foreign Secretary to his request. There have been some initial discussions through the usual channels about this. My right hon. and learned Friend will be able to inform the House about the response to the report from the Eminent Persons Group in his opening speech in the debate on South Africa tomorrow. If the right hon. Gentleman and his right hon. and hon. Friends would like a statement to precede that debate, perhaps we could discuss the matter further through the usual channels.

Contempt of Court

Mr. Gerald Kaufman (Manchester, Gorton): On a point of order, Mr. Speaker. I should like to raise a matter that affects the rights of the House of Commons and the attitude of the Government towards those rights.

On Saturday, the press reported the success of my hon. Friend the Member for Peckham (Ms. Harman) before the European Commission of Human Rights in Strasbourg. I know that hon. Members will wish to congratulate my hon. Friend on her vindication after a long struggle. Newspapers reporting the outcome of my hon. Friend's action were categorically clear about what the effect of that would be. The *Guardian* headline read:

"Change in law to follow Harman win in Strasbourg."

The Daily Telegraph stated:

"Contempt law change forced on Ministers."

Therefore, the press imply that a change in the law is to be brought before Parliament.

That being so, one would have thought that after the Government's almost six-year-long pursuit of my hon. Friend had failed, they would come before the House to make a statement about the outcome of the proceedings before the European Commission. Even more importantly, if the Government have now decided that the law of contempt is to be changed, the only place in which the law can be changed is Parliament, in the House of Commons and the other place.

Therefore, I put it to you, Mr. Speaker, that the Government are treating the House in an extremely contemptuous manner by not coming before us at the earliest possible moment and letting us into the secret which the European Commission of Human Rights has announced to the world about what the Government intend to do in Parliament but which the Government do not think fit for Parliament to know.

Mr. Speaker: None of that is a matter for me. The Leader of the House will have heard what has been said.

Mr. Teddy Taylor (Southend, East): On a point of order, Mr. Speaker. I apologise for not giving notice before, but information has just come to hand. As always, the selection of amendments for tonight's debate has been fairly——

Mr. Speaker: Order. The hon. Gentleman should raise his point of order with the Chairman of Ways and Means at the time. I am not responsible, as the hon. Gentleman knows, for the selection of amendments for the Committee stage of a Bill. The hon. Gentleman is a little premature in raising that point of order.

SCOTTISH AFFAIRS

Ordered,

That the matter of the oil industry in Scotland, being a matter relating exclusively to Scotland, be referred to the Scottish Grand Committee for its consideration. — *[Mr. Malone.]*

SCOTTISH ESTIMATES

Ordered,

That the Estimates set out hereunder be referred to the Scottish Grand Committee:—

Class XVI, Vote 3, Regional and General Industrial Support, Scotland
Class XVI, Vote 4, Manpower Services Commission, Scotland
Class XVI, Vote 5, Regional Assistance, Scotland
Class XVI, Vote 8, Housing Scotland

[Mr. Speaker]

Class XVI, Vote 9, New Towns, Scotland
Class XVI, Vote 14, Prisons, hospitals and community health services etc, Scotland
Class XVI, Vote 15, Education, arts, libraries and social work, Scotland
Class XVI, Vote 16, Student Awards, Scotland
Class XVI, Vote 17, Health (Family Practitioner Services), Scotland
Class XVI, Vote 21, Scottish Office Administration—*[Mr. Malone.]*

Orders of the Day

OPPOSITION DAY

[15TH ALLOTTED DAY]—*considered*

Hospitals

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

3.38 pm

Mr. Frank Dobson (Holborn and St. Pancras): I beg to move,

That this House condemns the policies of Her Majesty's Government, which have undermined the capacity of the big city hospitals to provide care for all their patients, satisfactory training opportunities for doctors and nurses, reasonable working conditions for all staff or adequate facilities for research into improved care for patients and the promotion of good health.

On Friday 11 May in Perth the Prime Minister, speaking of her Government's record on the National Health Service, sajd:

"We have a marvellous record, which we should shout from the rooftops."

Before the month was out, staff at the Maudsley hospital in south London had been told that, for reasons of economy, they were to reduse the amount of jam used in sandwiches in the children's ward. Nothing could better illustrate the gulf between the isolated world of the Prime Minister and the reality of the crisis facing the big city hospitals in England, Wales and Scotland.

Skimping on the children's jam ration was not the only, or indeed the most important, damaging change that was being forced on the patients and staff at the Maudsley. All consultant and nursing posts were to be frozen. There was the weekend closure of the neurosurgery ward, so that patients who had had their heads opened up and undergone brain surgery were to be shifted from their beds to save the cost of weekend working. Closing half the beds serving chronically mentally ill patients, shifting the children from their special in-patient unit to a general hospital ward, closing the alcohol in-patient unit—all that and more at Britain's oldest psychiatric hospital, not because there were not the patients; not because psychiatric illness was on the way out; not because we did not need doctors and nurses trained in the best and most up-to-date techniques; not because we could afford to do without the research done jointly by that hospital and the Institute of Psychiatry, the funds of which the Government have also cut. The reason was that the Government would not find the money.

That hospital is, in theory, so important that it is run by a special health authority, reporting direct to the Secretary of State. I understand that there may be better news. Last Thursday, after this debate had been announced, representatives of the Maudsley met the Under-Secretary. They were told that they could overspend their budget this year. What a pity they had to divert vast amounts of energy and effort just to get a sensible level of funding.

However, several questions arise. Will the Government make up this year's deficit at the Maudesly, or will the hospital have to carry it forward and fund it out of next year's allocation? Will all hospitals in financial difficulties

be allowed to overspend, or will it just be those that happen by chance to meet Ministers a day or two before a debate in the Commons? Those are important questions, because what is happening at the Maudsley is happening elsewhere. It is happening to the other special health authorities such as Great Ormond street and the National Hospital for Nervous Diseases.

The postgraduate research institutes associated with those famous hopitals — centres of excellence, of world renown in the struggle against pain and suffering — have seen their staff and work reduced, their capacity to teach diminished, their research curtailed. But it is not just those hospitals that are suffering. The Prime Minister may claim that she is spending more on the National Health Service than ever before, but it is not true. The extra funds do not match the combined effects of the increase in the cost of health care, the growing cost of medical technology and the increased health needs of the growing number of old and unemployed people.

Mr. Tony Favell (Stockport): Will the hon. Gentleman give way.

Mr. Dobson: I shall not give way just now.

Even so, the NHS might have just about got by with that level of funding if the Government had not added a further costly element to the equation. That element is change. The Government are demanding massive changes in priorities, endless changes in structure and management, massive redirection of effort and huge geographical shifts of resources. But change costs money. Surely Tories understand that. The cost of change has always been the bulwark of the case for Conservatism, if it has any case at all.

Many of the changes envisaged would command the support of most of those involved if, but only if, the time scale were extended and additional resources provided, at least during the transition period.

Let me give an example of what I mean. Hampstead health authority, which is responsible for the Royal Free hospital, wishes to close the old workhouse at New End and provide a better place for the elderly near Hampstead Heath. The Government will not give the authority the money to build the new unit, so it is forced to close New End, sell it and use the proceeds to build the new unit. That may sound fine, but the problem remains of the existing patients at New End. The suggestion is to turn over to the elderly the wards presently used for other purposes at the Royal Free until the new unit is built. Other groups of patients will suffer because the money for the new unit for the elderly is not available.

This is not simply a London problem. It occurs in every big city in Britain. In all our big cities, the NHS is suffering from reduced funds and demands for massive change. That cannot be done except at the expense of patients and staff.

Ms. Clare Short (Birmingham, Ladywood): Is my hon. Friend aware that one solution offered is for private American companies to build and run National Health Service psychiatric hospitals? Such a proposal is being considered in Birmingham. It is widely thought in Birmingham that that hospital will be a loss leader so that those companies can build private profit-making psychiatric hospitals in all our big cities. Would my hon. Friend comment on that?

Mr. Dobson: Yes, I shall comment on that point. My basic comment would be that I am dubious about any American company becoming involved in health care in Britain. I am especially worried about the idea of a psychiatric hospital run by a company which produces drugs used on psychiatric patients. There is bound to be a conflict of interest.

Mr. Favell: Is the hon. Gentleman aware that that American company is prepared to build that hospital at half the cost for which the district health authority would build it and will provide the same services? Is he interested in patients or in lining the pockets of those who support him?

Mr. Dobson: I am interested in the record of American companies in the United States. When the American commercial companies can ensure that adequate health care is provided for the 30 million Americans who have no health cover in the most powerful and prosperous nation in the world, they may be able to contribute something to health care in Britain.

Big city hospitals were built where they were by the Victorians, or earlier, because that was where people were poorest and sickest. The Royal Victoria in Newcastle, Manchester Royal infirmary, Leeds General infirmary, Bart's Guy's and St. Mary's were built where they were needed — and they are still needed. The communities that they serve are still among the poorest and least healthy. The common measure of the health of a locality is perinatal mortality. The big city figures are bad. Against the national average of 10 deaths per 1,000 Newcastle upon Tyne has 16, north Staffordshire — serving the city of Stoke on Trent — has 15·9, east Birmingham has 14·7, and Tower Hamlets has 13·7.

The big cities have more deaths from cancer and heart disease, but in addition to the old diseases, they also have the highest incidence of alcoholism, drug abuse and AIDS. They also have the longest hospital waiting lists: 22,000 in Birmingham, 14,000 in Bristol, 13,000 in Manchester, 11,000 in Sheffield, 10,000 in Leeds, 8,000 in Newcastle, 8,000 in Nottingham and 8,000 in Liverpool. In inner London, waiting lists are soaring. Small wonder, when £35 million has been cut from the budgets of the inner London health authorities.

One example is Lewisham and North Southwark, where hospital waiting lists increased by more than 1,000 in the six months between September 1985 and March 1986.

Mr. Rob Hayward (Kingswood): The hon. Gentleman said that the waiting list in Bristol was 14,000. Can he confirm that? Information received from the chairman of the Bristol and Western health authority this morning gives the figure for 1986 as 7,944.

Mr. Dobson: I should have thought that a Member from Bristol would have known that that great city is served by no fewer than three separate health authorities.

I will give some more examples of what is happening in the big cities.

In Newcastle it is proposed to close an orthopaedic ward at the Freeman hospital although there are 855 people on the orthopaedic waiting list. A children's ward at Newcastle general hospital is to be closed and two surgical wards at the Royal Victoria infirmary are to go, as is the entire Fleming Memorial children's hospital.

[Mr. Dobson]

Demand for some of the services now provided in Newcastle may eventually decline after the building of the new district general hospital at Ashington, but that is scheduled for 1993 and Newcastle is being asked to make cuts now. So the patients will suffer – more than 900 urgent cases have been waiting more than a month for treatment.

Central Manchester health authority has suffered cuts of more than £2 million and is threatened with a further loss of £3 million in the next two years. Reductions in provision at the Royal infirmary are bound to follow and patients will be turned away. Poorer, less healthy people in Stretford and Old Trafford are being told that they will not be able to go to the Royal infirmary any more, although it is nearer and there is good public transport. They must wait until alternative facilities are provided in a few year's time in the southern part of Trafford, even though it is further away and not so easy to reach by public transport. There are also fears for the future of the Manchester foot hospital.

Proposals for improved facilities for Hope hospital in Salford for neo-natal special care for babies in Salford and other parts of the north-west have been denied funds. The consultants involved have therefore decided that their first duty is to Salford babies and that from the end of this month they will be unable to accept referrals from elsewhere.

In Cardiff, the University hospital of Wales has just closed and padlocked its first ward, and no doubt others will follow. No one could call that a rational response to a waiting list of 5,300 people.

The Greater Glasgow health board has just been told by its general manager that it must cut spending by no less than £20 million per year, involving what he described as "fundamental changes in the level of provision".
Few Scots believe that the intention is to level up, because levelling down is the message in the Health Service nowadays.

In Trent region, described as a major beneficiary of resource allocation changes, stands the famous city of Nottingham. These days the hard-faced sheriff is more in evidence than Robin Hood. The Government have robbed the regions that they describe as rich, but they still do not fund the poor. Phase 2 of the Queen's Medical Centre was completed as long ago as 1979, but it still stands mainly empty because the health authority cannot afford to run it. Indeed, things are getting worse. One existing ward for vascular surgery is to be closed and there is even a threat to reduce staff at the highly successful special care baby unit at the city hospital. The story is similar in every big city. At Guy's, which serves north Southwark and Lewisham, we discover from the *Daily Mirror* – because officialdom will not tell us – that life-saving heart operations for children have been stopped because the hospital has not the cash to nurse all the post-operative intensive care beds. It must be pointed out, of course, that cash for cardiac treatment at Guy's has suffered because no less than £376,000 of National Health Service money was spent subsidising heart operations on private patients, as the recent report of the Comptroller and Auditor General reveals.

In Bristol the health authority's plans are dominated by closures and proposed closures of small hospitals such as the Wendover hospital maternity unit and Ham Green hospital. However, experience suggests that it is no good big hospitals and fashionable consultants offering their smaller neighbours as human sacrifices. It does not work. In Kipling's immortal words:

"once you have paid him the Dane-geld
You never get rid of the Dane."

The calls for cuts will increase and the big hospitals will start to lose funds.

Mr. Michael Cocks (Bristol, South): My hon. Friend mentioned Bristol. While I do not wish to exonerate the Government from any blame, may I remind my hon. Friend that a great deal of the problem there has been due to the university medical school and private consultants concentrating on rebuilding on an unsuitable site? Nevertheless, I am not against teaching hospitals. From my experience at the Westminster hospital, I have nothing but praise and admiration for its care and treatment. Will my hon. Friend bear in mind that sometimes university teaching facilities override the needs of ordinary patients?

Mr. Dobson: There is something in what my right hon. Friend says. The big hospitals in Bristol, Leicester and elsewhere should regard small hospitals not as sacrifices, but as outposts. They should learn that the loss of those outposts exposes their central citadel to the next round of attacks.

Problems are arising all over Birmingham, but one example will illustrate what is going on. The Secretary of State wrote an article for the *Birmingham Evening Mail* entitled – would you believe it Mr. Deputy Speaker?

"Health crisis? What Crisis?"

The East Birmingham health authority is being forced to close three wards while central Birmingham is limiting the number of cardiac operations and closing a ward at its children's hospital. No wonder the *Birmingham Evening Mail* in an editorial on the same day contrasted what it called the statistics and the reality.

The Government talk about efficiency and improving the management of resources, but what is happening in big city hospitals is putting a premium on inefficiency. Careful studies show that closing wards in a hospital which remains open does not save much money. The gearing is all wrong. A 20 per cent. cut in services gives only a 4 per cent. to 5 per cent. saving in costs. Conversely, a 4 per cent. to 5 per cent. increase in investment would lead to a 20 per cent. increase in services. Needless to say, this penny-wise, pound-foolish Government choose the wrong option.

The most spectacular example of that was in my constituency when the Middlesex and University College hospitals were closed to ordinary admissions for one month — for the non-mathmaticians on the Tory Benches, that is one twelfth of the year. It was intended to save £450,000 on a budget of about £120 million. In the end, they did not even save that—but at what costs to patients turned away and lengthening waiting lists? Such cuts do not merely affect patients but reduce the capacity of hospitals to provide adequate training for the doctors and nurses of the future.

All the changes that I have mentioned are leading to imbalanced admissions of patients, which mean that student doctors and nurses do not encounter the cross-section of patients required for their proper training. That is only the start. Cuts in spending on trained nurses mean that there is now an overdependence on trainees at night. Trainees are working excessive night duty. At UCH, the English National Board noted that a registered sick

children's nurse was not always available on children's wards where learners undertook night duty. That is a disgrace.

Cuts in support services are forcing nurses, both trained and in training, to take on tasks which were previously the duty of clerical, cleaning and portering staff. So much for the efficiency savings on ancillary workers which we have heard about. If the Minister does not like what I am saying, I issue this challenge: to publish the English National Board's reports on nurse training in the big city hospitals over the past few years.

It does not stop there. Junior doctors are also suffering. The only excuse for calling highly qualified hard-working doctors "juniors" is that officially they are still learning. Yet, because of cuts in budgets, they are being refused study leave to learn the new techniques essential for their next jobs. Without that study leave, the training posts they occupy may lose accreditation with the authorities and disappear, and so the cycle of degradation will continue.

The big city hospitals are also rightly famous for their research into the causes of disease, into improved methods of treatment and into ways of promoting better health — some in specialist hospitals, some in the general hospitals. All this is being reduced or threatened at the moment. In one year the Medical Research Council awards to medical students have fallen from 380 to 342, research studentships from 230 to 160, advanced course studentships from 100 to 70. Project grants have been cut by 4 per cent., programme grants by some 12 per cent. Government funds to help with general running costs of research units have fallen so low that, because they cannot afford the general running co[illegible] the research units are having to turn down projects which would otherwise be funded privately. That is not very efficient. Over 200 clinical academic posts have disappeared in the last few years. All this damages vital research, the related teaching and the treatment of patients which is also provided in the teaching hospitals by clinical academic staff.

All the work that is done in the units is intended to relieve human misery, the pain of sick children, the nightmare of psychiatric illness, the horrors of cancer. It is of worldwide renown. It is work of which the researchers and all of us in Britain can be proud. It is practical and purposeful. But it is not being properly funded by a Government who continue instead to pour millions of pounds into weapons research and nuclear power generation. I challenge the Minister or the Secretary of State to come with me to Great Ormond Street Hospital for Sick Children and see the patients, their parents and the staff, and tell them face to face why the necessary funds are not available for that famous hospital and for the Institute of Child Health.

Mr. Roger Sims (Chislehurst): The hon. Gentleman keeps on about funding. The entire burden of his speech, as of the motion to which he is addressing his speech, has been critical and negative. Before he sits down, will he tell us something positive — in particular, what the Opposition would do if they were in power? What has happened to the commitment of a 3 per cent. increase in the payment to the NHS in view of reports in the medical press this week that the Labour party has reneged on its commitments?

Mr. Dobson: The Tories had better learn that there is nothing negative about defending what is left of the NHS. It is the most positive thing that an Opposition can do until they are in power. When we are in power we shall find the funds that are necessary to restore the NHS.

I hope that the Minister will not dismiss the examples that I have given as anecdotes. They are facts; they are what are called evidence in a court of law. They are certainly more truthful than the figures he and his colleagues keep peddling. The Government leave no figure unfiddled in their pursuit — fruitless, as it turns out — of popularity. We now hear they are to try to reduce hospital waiting lists, but they have done it already. First, they left off the day cases. They trumpet about day cases when they are talking about people treated, but they change the rules to exclude day cases waiting for treatment from the waiting lists. More recently they conducted an administrative cull, the object of which was to reduce the list by a further 10 per cent. The doctored list is 661,000 — 10 per cent. of that is, as near as damn it, 66,000. So comparing like with like the real total is 727,000. That is higher than it was during the industrial dispute in 1982 and even 29,000 higher than the first figures produced after the "winter of discontent".

Our concentration today on the big city hospitals does not mean that the situation in the NHS outside the big cities does not concern us. Of course it does. We need a new approach to the whole of the NHS — supportive and helpful. But the reason why we have concentrated on the big city hospitals is that they and the people that they serve are suffering most from the Government's policies. Of course, many of the people that they serve come from outside the big cities anyway. But it is on the areas suffering most damage that we must concentrate most effort.

Fortunately, between the Government and their objective of undermining the NHS stands one insuperable barrier — the British people. Our people treasure the NHS, which has served them so well. Whenever and wherever it is threatened, local people join the staff involved to resist. Whether in Leeds, Liverpool or London, Birmingham or Bristol, Cardiff or Edinburgh, people resist. They will not forget or forgive the Government's attack on their hospitals. The Labour party, whose proudest boast is that we founded the NHS, is involved in that resistance up and down the country. We promise to protect the NHS, to restore it and to improve it.

Mr. Roy Galley (Halifax): Will the hon. Gentleman give way?

Mr. Dobson: No, I certainly shall not.

But we promise more than that. We will change society and attack ill health at its source. We will reduce poverty by the introduction of a national minimum wage and increased pensions and benefits. We will tackle homelessness and improve housing conditions, we will improve health and safety at work, we will make healthy foods available at prices all our people can afford and we will turn back the sickening rise in unemployment. Here again, the communities in the big cities can expect to benefit especially from this investment in good health. We are confident that the people of this country will support us. We are confident that, with the help of the people, the big city hospitals will survive the current crisis. We are equally confident that this Tory Government will not.

4.6 pm

The Minister for Health (Mr. Barney Hayhoe): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"commends the Government on the increased resources it has made available for the National Health Service; congratulates the dedicated Health Service staff for their improved performance in delivering high quality health care; reaffirms the principle of equality of access to health care underlying the Government's resource allocation policy; and endorses the Government's decision to review the Resource Allocation Working Party formula under which the allocation of revenue funds is determined."

The hon. Member for Holborn and St. Pancras (Mr. Dobson), in an exaggerated and distorted account of the NHS, made no reference to the Labour party's plans except to say, in response to an intervention, that it would spend more — but not how much more. There was no sign at all of what increased resources would be made available, nor any real sign of where the money would be spent.

Those outside who follow these affairs will see that the hon. Gentleman's speech was nothing more than a distorted account of difficulties and problems, often exaggerated. There was no constructive element in the speech at all. Indeed, even when the hon. Gentleman talked about perinatal mortality, which is of vital concern to us all, he made no mention of the fact that the rate of 15·4 deaths per thousand which we inherited in 1979 had come down by 1984 to 10 per thousand. There was no reference to that significant improvement which resulted from the dedicated and devoted efforts of the staff involved.

Mr. Galley *rose*

Mr. Hayhoe: Nor was there any sign in the hon. Gentleman's speech that the NHS commands a high level of satisfaction from those who have personal or family experience of the vital services that it provides.

The latest poll commissioned by the National Association of Health Authorities and the *Health Service Journal* has shown that about 88 to 89 per cent. of people are satisfied, very satisfied or fairly satisfied with the quality of care and treatment. This level of satisfaction is probably higher than for any other institution or organisation in the country.

Mr. Galley: In contrast to what the hon. Member for Holborn and St. Pancras (Mr. Dobson) said, is it not the proudest boast of this Government that the health of people has consistenly improved during their tenure of office? There are now more kidney transplants, more kidney patients, more heart operations, more hip replacements and an improvement in the rate of perinatal mortality. Is it not also our proud boast that resources have consistently grown and have not been cut, as they were under the Labour Government? We may have curtailed growth in places but we have not cut the service.

Mr. Hayhoe: I am grateful to my hon. Friend for making some of the positive and constructive points which, for reasons of time, I shall not be able to include in my speech. Of course constructive criticisms can be made of the present situation, but it is perfectly clear from the speech by the hon. Member for Holborn and St. Pancras (Mr. Dobson) that I must await speeches from Government Members in order to hear responsible comment and helpful suggestions.

I welcome this opportunity to reaffirm the Government's record on the National Health Service and, perhaps even more important, to pay tribute again to the hard work, dedication and excellence of the hundreds of thousands of men and women who work in hospitals, clinics and day centres throughout Britain. By their efforts day in and day out, it is they, not Ministers or DHSS officials, who ensure that we have a National Health Service of which we can all be proud.

The Health Service does not exist in a vacuum. We can have a good Health Service only if we can afford to pay for it, and health services depend on a healthy economy. The basis of a healthy economy is the prudent management of financial affairs so as to ensure economic growth and low inflation. In 1985 the United Kingdom topped the league of EEC countries in terms of economic growth. Indeed, the 3·5 per cent. growth in 1985 was faster than in the United States, and the fastest rate of economic growth in this country since 1973. Our national income is at an all-time high and this is accompanied by an inflation rate of 2·8 per cent. which is the lowest since the 1960s. Lower costs are good for the Health Service and for its patients, just as they are good for other people in Britain.

The improvement in economic performance has been due to sound finance, an important element of which has been the responsible control of public expenditure. Within this overall control, priority has been given to the National Health Service. That is why Health Service expenditure has grown as a proportion of public expenditure from 12 per cent. when the Labour party left government to 14 per cent. now. That is why, when public expenditure generally has grown by 8 per cent. in real terms, spending on the National Health Service has gone up by 24 per cent.

Mr. D. N. Campbell-Savours (Workington) *rose*

Mr. Hayhoe: The hon. Member for Workington (Mr. Campbell-Savours) is nodding, so there is no need for me to give way to him.

The Health Service has not only shared in the record growth of the economy, because health expenditure has increased its share of the GDP from 5·3 per cent. when the last Labour Government left power to over 6 per cent. now. If that is what the Opposition mean by undermining the Health Service, then words have simply ceased to have any meaning at all. Let me translate all this into what it means for the National Health Service. Spending is up from £7·75 billion when Labour left office to £18·75 billion in 1986-87. This represents a real increase after allowing for inflation of 24 per cent. If Labour's level of spending had been maintained, present spending would be £3·5 billion lower than it is now. Our record is hardly a record of neglect.

Capital spending to replace and improve the hospitals we have inherited and to provide new hospitals and community care facilities will be well over £900 million this year — that is £20 million worth of capital spending every week of the year. A total of 159 new hospital projects each worth over £2 million are presently being planned, designed or built in England alone. Perhaps this is what the Opposition, who cut the capital programme for the NHS when they were in power, mean by undermining the Health Service.

The foundation of a successful and developing Health Service is its staff. We are lucky that the National Health

Service recruits so many of the very best people. Since this Government came to power, the National Health Service has taken on more than 60,000 extra nurses and midwives, 36,000 extra after allowing for the shorter working week that was introduced by this Government. We have 5,800 more hospital doctors and 4,000 more GPs than there were under the last Labour Government. Manpower generally is now under proper management control, with the result that far more of the staff are engaged in patient care. Doctors, nurses and professional and technical staff now make up 64 per cent. of total staff, compared to 58 per cent. in 1978. At the same time, the expenditure on management has fallen. Better value for money is just as important as spending more money on the NHS.

Mr. Simon Hughes (Southwark and Bermondsey): The Minister is obviously seeking to show his concern for National Health Service staff. Does he not accept that of late, in London, Health Services staff have been telling him that, although there has been an increase in finance, there has been a greater increase in need, and that the money is not enough? How can he answer a consultant orthopaedic surgeon in Guy's hospital who wrote to me only last week:

"Of course the problems are caused by inadequate funding of our unit, which is extremely busy and in great demand. It would help us all if somebody in your position could help to redress the gross imbalances in the Health Service"?

I am sure that letter is typical of hundreds that the Minister must know about. How does the Minister answer that person, a surgeon who is trying to do a job as a member of the National Health Service but who cannot cope because the money is inadequate?

Mr. Hayhoe: I shall say something about those matters in the course of my speech.

More money and more staff, together with improved efficiency, mean that it is possible to treat more patients and improve the service. The record speaks for itself. The Health Service in 1984 treated nine in-patients for every eight treated in 1978; three day cases for every two treated in 1978; and 11 out-patients for every 10 treated in 1978. That is hardly a service in decline or in retreat, as the Opposition and some trade unions would have us believe.

Mr. Laurie Pavitt (Brent, South): I should like to make two brief points. First, will the Minister include the figure for repeat referrals for out-patients and in-patients? Because of efficiency savings, such people do not spend the right amount of time in hospital. Secondly, the number of patients to which he has referred includes a number of patients who come to hospital three or four times. Will he confirm that in his figures for the total number of nurses he is including for the first time 100,000 nursing auxiliaries?

Mr. Hayhoe: There is no justification for the first point made by the hon. Member for Brent, South (Mr. Pavitt). I well recognise his long and close attachment to and support for health issues. The figures I have seen would not support his contention. He is arguing about 1,000 in an increase of 58,000. If that is his case, there is not a great deal of difference between us, and the hon. Gentleman ought to be applauding the substantial increase that has been made.

The Health Service is a dynamic and developing institution. It is not a museum reflecting and preserving the past. I listened to the Opposition bemoaning any sign of change or progress, and I am sure that if they could they would attack us for the reduction in the number of leeches available in NHS hospitals. Britain is changing. Medical technology and practice is changing and if the Health Service is to provide the sort of first-rate health care that a modern people demands, it must change also.

Let me give some examples of those changes. There are now many more very old people. The proportion of people aged 75 and over has increased from 5 per cent. to 6·5 per cent. of the population over the past 10 years—an increase of 709,000, at a time when the population generally has remained relatively constant. Those numbers will go on increasing.

The population living in cities has declined. Between 1971 and 1981 the population of inner London fell by one sixth, from more than 3 million to 2·5 million, and the population of the former metropolitan counties fell by 500,000, while the population of the rest of the country rose by 1·5 million.

People want health services conveniently available where they now live and not where their grandparents used to live. The Health Service must change and adapt and adjust its service provision to the new realities.

However, the change in demography is not the only significant change. Medical techniques and medical practice are constantly developing. For example, one in every six cases treated nowadays is a day case, compared with fewer than one in 10 in 1976. The average length of stay in hospital for surgical cases has fallen by 20 per cent. over the past 10 years; that represents an advance in patient care. Opposition Members seem to wish patients to stay longer away from their families and to be maintained at a substantial cost to the taxpayer, simply to keep beds open. Here, as in other areas, Opposition Members are true to their Luddite traditions.

The Government are concerned not simply to provide more money, but to ensure that it is spent better. One element in that aim is a fairer geographical distribution of resources. In 1978-79, there was a gap of about 22 per cent. between the three most deprived regions and the three that were highest above their target. By 1986-87 that gap had been more than halved and is now below 10 per cent. For the first time ever, no region is more than 4 per cent. below its target fair share of resources.

Sir Geoffrey Finsberg (Hampstead and Highgate): Will my right hon. Friend accept it from me that, as one who opposed the Resource Allocation Working Party system from the time it was dreamed up by the last Labour Government and introduced by the present leader of the Social Democratic party when he was the Health Minister, I know that areas such as my own have suffered time and again? It is precisely because the centres of excellence—the big teaching hospitals—have been losing money to other places over the years that the scare stories that the hon. Member for Holborn and St. Pancras (Mr. Dobson) can trot out ad nauseam have partly come true.

Mr. Hayhoe: I am grateful to my hon. Friend, who speaks on these matters with considerable authority.

The Government remain firmly committed to improving access to health services throughout the country, both at national and at local level. Nationally, that is done through the RAWP formula, which allows for age, morbidity and patient flows to produce a target for each region. At regional and district level, the emphasis

[Mr. Hayhoe]

shifts from the allocation of funds to achieving the real aim of the whole process — improving equality of access to services. In essence that means providing local services.

It is certainly right to concentrate specialist services at centres of excellence; patients are happy to travel to the city teaching hospitals and similar centres for specialist treatment. However, a wide range of services are best provided locally. Examples include the "bread and butter" acute services. Elderly people are the major users of those services, and helping them to return home is a crucial part of their care.

People rightly expect to have access to local maternity and children's services, but too many of our health services reflect population patterns of 50 or 100 years ago, rather than today's needs. It is right that health authorities should be planning to take acute services to the growing populations of the suburbs and shire counties and that they should be working for a better balance of services in the inner cities, where local people need good community services alongside the centres of excellence at the teaching hospitals.

None of that can be achieved by financial formulae.

Mr. Campbell-Savours: Is the Minister aware that there is hardly a health district in the country where some argument is not going on about local provision, its reduction and closures? Is he aware that Conservatives are involved in many of these little campaigns and they say that they do not understand why the Government have to cut taxes and cut services? They want to pay higher taxes and retain better services. How does the right hon. Gentleman reply to those Conservatives?

Mr. Hayhoe: The Government have made more resources available. I understand those who argue that even more should be made available and I shall comment on them towards the end of my speech.

Mrs. Elaine Kellett-Bowman (Lancaster): Will my right hon. Friend accept that some superb facilities have been provided in Lancaster and that will inevitably entail the closing of much-loved little hospitals such as the Beaumont hospital, which was a fever hospital in the first world war and cannot be remotely economic?

Mr. Hayhoe: I am grateful to my hon. Friend. She makes the sort of constructive and helpful comment which I said earlier was most likely to be made from the Government side of the House.

I make it clear that London must, of course, retain its centres of excellence, but London is more expensive and, because of recruitment problems—the hon. Member for Holborn and St. Pancras referred to some of those problems — it is sometimes more difficult to provide services in London than elsewhere. So it makes no sense, as a long-term aim, to bring people into London for treatment that can be equally well provided for them locally. Local provision is also much more convenient for patients and their families.

A fairer regional distribution of available money is not enough. It is also important that that money is directed towards the groups that the Government have identified as deserving priority—the elderly, the mentally ill and the mentally handicapped. The increasing costs of acute medicine and the influence and status of those who practise it could mean that the weakest in our society come off second best. I am anxious to ensure that that does not happen and that the elderly, the mentally ill and the mentally handicapped are not disadvantaged.

Expenditure on the priority groups has increased by more than £400 million — a doubling in cash terms, from £1·3 billion to £2·6 billion — and that is in addition to the help given to elderly people by the acute services. Those priority services also benefit from the increased number of mental illness and mental handicap nurses, which has risen by 16 per cent. since 1978, even after allowing for the shorter working week.

It has been generally recognised for many years that, for historical reasons, inner-city areas have tended to be over-provided with acute beds. The London health planning consortium set up under the last Labour Government concluded that the number of acute beds in London needed to be substantially reduced. Patients in inner cities, such as London, are still more likely to go into hospital and to stay longer than are their counterparts outside the big cities. That is due, at least in part, to the historic pattern of care in the inner cities, with its emphasis on the provision of acute beds in teaching hospitals. Those hospitals include specialists' work in their case load, but in big city districts there are 50 per cent. more senior doctors per case treated than there are in other districts.

Although inner cities tend to be over-provided with acute beds, they tend to be under-provided with primary care, as the Acheson report found for London some years ago. High standards of general practice can make a major contribution to tackling the health problems associated with social deprivation in inner cities. Some outstanding work is already being done in that area and the Government have provided extra money, in the form of financial incentives to GPs to form group practices and 60 per cent. grants to improve the quality of practice premises.

Mr. Dobson: Can the right hon. Gentleman tell us how many of the 114 recommendations of the Acheson report have been implemented?

Mr. Hayhoe: Not without notice.

Standards of practice are still variable in inner cities. That is why the discussion document on primary health care, which was published in April, lays particular stress on the importance of improving standards in inner cities.

Of course the challenges faced by the Health Service, such as the need to take account of demographic change and changes in medical techniques and medical practices, as well as the need to ensure a fairer distribution of resources between and within regions and between priority groups, can often give rise to problems. But the NHS is facing up to those challenges, and I pay tribute to Health Service managers and staff for the way in which they have managed, and are managing, the rapid rate of change that is necessary to improve Health Service care.

But inevitably problems and pressures come together in the city districts, where the job of readjusting to a new pattern of care causes particular difficulties. Very often, those districts must also adjust their education and training responsibilities while at the same time, for historic reasons, their hospitals are located in older buildings, which all have their passionate supporters for retention.

The Government are acting to ease the process of change on several fronts. First, they are improving

significantly the capital stock of the Health Service. A listing of all the projects would take until 7 pm, so I shall just mention a few: the redevelopment of the Royal Victoria infirmary in Newcastle at a cost of £20 million, the Leicester Royal infirmary development costing £13 million, the new Good Hope district general hospital in Birmingham on which £12 million is being spent, provision in Manchester, expenditure on the Mayday hospital in Croydon, the redevelopment of St. Mary's, Paddington, phase 2 of the development at St. George's, Tooting, phase 1 of the Homerton hospital, and the upgrading of St. Thomas's hospital across the river. That hardly sounds like undermining the Health Service in inner cities or observing its collapse.

I am pleased to announce today that I have given approval for phase 2 of the Derby city hospital redevelopment at a cost of nearly £9 million, and that work on the construction of the new national heart and chest hospital on the Brompton site begins today. That adds to the long list of schemes that we have recently approved, many of which deal with patients living in our largest cities, or who would otherwise be treated there. The development at St. Luke's, Bradford, two schemes in Liverpool, the commencement of work in the south-east Thames region on three major new district hospitals, and the undertaking of further work on the new district general hospital at Milton Keynes in the Oxford region all represent increases in the capital programme. The Labour Government cut that capital programme.

Health services are improving in the big cities. Our statistics show that, for all large city districts, the number of in-patients treated rose by 11 per cent. between 1979 and 1984, with nearly 6 per cent. more out-patients treated and nearly 60 per cent. more day cases. It is absolutely moral humbug for trade union leaders to complain about increases in waiting lists, when they and their members were responsible for the damaging strikes of 1978-79 and 1982, which led to record increases in waiting lists and record lengths of waiting lists.

Another issue that is often used to whip up a sense of crisis is that of hospital closures. In any developing service, some hospitals are bound to close while others are opening. To look only at the closures makes as much sense as reading the deaths column in the newspaper and ignoring the births column, and thereby assuming that the population is dying out. Opposition Members have distinctly selective memories in that area. Although 227 hospitals closed in the first six years of this Government, 270 hospitals closed in the five years of the previous Labour Government. But what count are services, not hospitals, and patients, not beds. As I have said, under this Government services have continued to improve and the number of patients treated continues to increase.

The Government recognise that inner-city districts have particular problems in coping with change. But they must also look critically at their activities and resources. It is right that health authorities that have fared well in the past should re-examine the use that they make of expensive estate and the resources that they have tied up in non-clinical work. It is significant that the Thames regions' cost improvement achievements and plans have been significantly above the national average in every year of the cost improvement programmes. For 1986-87, the Thames regions plan cash-releasing cost improvements equivalent, on average, to more than 2 per cent. of their allocations compared with a national average of some 1·5 per cent. Those are not Government-imposed targets but the regions' and districts' own plans.

Since much of the clamour about a shortage of resources has come from the consultants in London teaching hospitals, it is perhaps worth asking whether those hospitals have looked carefully enough at the cost-effectiveness of the services that they are using to support their clinical activity.

Mr. Simon Hughes: They certainly have.

Mr. Hayhoe: Well, my Department's performance indicators show that, after making allowance for extra costs in London, many of those hospitals have higher catering costs, higher domestic service costs, higher linen service costs, higher operating theatre costs and higher pathology and portering costs. Is it not incumbent upon those who resist change and who demand extra resources to look carefully at whether existing costs need to be so high compared with other teaching districts and the rest of the country generally?

The Government recognise the particular problems of big city districts. I have already referred to the major capital programmes and to the review of primary care, but I must mention two other things that we are doing which should help the health services in the big cities. I turn first to the review of RAWP, which was referred to by my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg). It has been suggested that, although substantial progress has been made in redistributing resources, the present RAWP formula needs to be refined to improve its measurement of need.

The Government have therefore set up a review of RAWP, which will consider among other issues whether proper account is taken of social deprivation and inner-city problems, teaching hospital costs and patient flows across regional boundaries. Those are all issues of particular concern to the big cities. I am anxious to see good progress on that review, and have asked the management board to report by the end of the year.

Secondly, the Government have recently added an extra £50 million to health authority cash limits in England, following decisions on this year's pay awards. Of that money, more than £16 million will go to the Thames authorities and to the special health authorities in London, £7 million will go to the north-western and Mersey regions, £5 million will go to the west midlands and over £3 million will go to both Yorkshire and the northern regions. Those are substantial additions for regions that contain most of the big cities.

That has been done in a year when we have already allocated some £650 million more to hospital and community health services in England. With the extra £50 million, we are talking about growth, in real terms, of 3·8 per cent.—the highest figure since 1980-81. In addition, health authorities, with their cost improvement programmes, plan to release a further £150 million this year, with further planned increases in activity and productivity within existing resources. Health authorities are also benefiting from the fall in general inflation brought about by the Government's policies. The reduction in inflation below that assumed when setting cash limits will be worth £20 million on non-pay expenditure.

Of course I am not suggesting that more could not be done, that no improvements could be made or that there

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are not problems and pressures. Health care generates demand upon demand. Its needs are never satisfied. But this Government have shown their commitment to the Health Service as a whole, and that is reflected in the improvement of health services in our cities. The Opposition's contention that we are undermining health services does not stand up to any critical consideration, and I ask the House to reject the motion and to support the Government's amendment and their efforts to improve health services for all.

4.39 pm

Mr. Jack Ashley (Stoke-on-Trent, South): The Minister is becoming quite a juggler. In the speech that he has just made he sounded almost as good as the Secretary of State for Employment with his figures showing conclusively that unemployment is spiralling downwards. The Minister's figures are questionable and designed to show that far more money is being spent on the National Health Service. People's experience belies the figures and contradicts the picture painted by the Minister of a growing and expanding National Health Service.

The Minister said that there was a high level of satisfaction with the National Health Service. People would laugh their heads off at such a statement. However, we discovered that the Minister is not really speaking about the attitude towards the Health Service as a whole. He was speaking of comments in the *Health Service Journal* in which the quality of care was being discussed. People do not like criticising doctors and nurses. They are only too anxious to pay tribute to them. Such a comment gives a false impression about what people really think about National Health Service provision, which is disastrous in many areas. The Minister fails to take note of the anxieties and very real concern expressed by thousands of people.

The hon. Member for Hampstead and Highgate (Sir G. Finsberg) spoke about the excellence of teaching hospitals in London and of the scare stories from some areas. He does not know what he is talking about. I support centres of excellence in London and elsewhere, but it is not scare stories that come from the regions.

I have a horror story to tell the House today which I hope to confine to 10 minutes. It is a horror story of what has happened in Stoke-on-Trent and in north Staffordshire. I emphasise my support for my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) and others who want the centres of excellence to be assisted, but that must be done by giving new resources to those centres of excellence, not by sapping their income and transferring the funds to the regions. That is wrong.

My main concern today is to put the case for helping the scandalously deprived, underprivileged areas such as north Staffordshire, which has been deprived for a long time. The tendency is for the Government and the public to accept that deprivation with complacency. The appalling inequalities have existed for far too long.

I shall illustrate the massive disparities by referring to red alerts. A few months ago there was a red alert at a London hospital. My hon. Friend was the first to shriek and condemn it. The people of London agreed that it was disastrous. The red alert meant that only emergency cases were admitted to hospital. There was a stop on other admissions.

North Staffordshire experienced red alerts in September — that was not even in winter — from the first part of November until December, for over six weeks from January into February, from February to early April and from mid-April to 6 May. North Staffordshire experienced red alerts for almost the entire winter. There was a stop on admissions and only emergency cases were admitted.

One can imagine the suffering caused to the sick people of north Staffordshire by that interminable period of red alerts. It was not one crisis, but a perpetual crisis. I hope that the House will take note of that scandal. We must do something about it because the sick people of north Staffordshire are suffering. The medical staff are bearing a heavy burden.

The Minister referred to the resource allocation working party which is dealing with the reallocation of resources. According to RAWP, north Staffordshire is 12·5 per cent. below target. Planned progress for improvement has been extremely slow, even without interference with the RAWP formula, so that by 1990 north Staffordshire would still have been 9 per cent. below target — the third worst district in the west midlands region.

According to the DHSS figures published last summer on the value of National Health Service provision for people in all health districts, north Staffordshire is seventh from the bottom. The value of acute services received is only £58·45 per person. Those at the top of the scale — the first 15 — are all London district health authorities. They are receiving over twice as much as the people in north Staffordshire. The Minister cannot justify that disparity. He cannot deny the people of north Staffordshire. He cannot give them only half of what Londoners receive. That is wrong and cannot be justified.

I recognise that those figures are not a perfect measure of Health Service deprivation, but they are a significant indicator and should be taken into account by the House.

What I have described makes a mockery of the rhetoric in the Government amendment about reaffirming

"the principle of equality of access to health care."

I do not criticise the Minister on that score because he says that he intends to review RAWP, which I welcome. But I hope that he does not mean that resources will be cut so that deprived regions will suffer still further cuts.

The people of Stoke-on-Trent are suffering gross inequality in access to health care. That inequality is not vague or hypothetical; it leads to genuine human suffering. People who are desperately ill and in pain are suffering unnecessarily. The House should do something about it.

In Stoke-on-Trent people in severe pain because of an arthritic hip joint, for example, have to wait for up to 46 weeks for a first appointment with a consultant. There can be no justification for that. About 60 per cent. of people in my area whose cases are not regarded as "urgent" — that is a medical definition — as most orthopaedic cases are not, have to wait for over one year for an operation. Last December, overall in north Staffordshire, 3,336 people had been waiting for a so-called "non-urgent" operation for over a year. Such cases might be non-urgent in medical terms, but that phrase masks great human suffering.

Urgent cases, naturally, receive quicker treatment, but even that can be appalling. No less than 75 per cent. of "urgent" cases in general surgery wait for over one month.

One can imagine what it is like to be told, "You are very ill. You need an urgent operation, but come back in a month's time."

Because of the revelations about unfair allocation, together with pressure from myself, my parliamentary colleagues and officials of the district health authority in north Staffordshire, the West Midlands regional health authority has begun to move and has given a £10·5 million boost over the next five years, which I welcome and appreciate. That authority also has problems, but fortunately it is shortly to receive an additional £40 million. I regret that the boost for north Staffordshire is far from adequate and cannot possibly solve the problems, although it is a move in the right direction towards the RAWP recommendations. However, some people in the south-east are now suggesting that we drop or change the RAWP formula. The hon. Member for Hampstead and Highgate spoke of scare stories in my area. They are not scare stories; they are true.

I conclude with this plea – that RAWP will not be invalidated in any way. If the Government want to refine it, that is all right – but please do not interfere with the reallocation of funds from the better-off south-east to neglected areas such as mine. I hope that the use of the word "review" will not be a euphemism for stopping reallocation. The Government must face reality – they cannot provide a fair allocation of resources and good health treatment if they do not increase the total resources available. The answer to the problem must be increased resources. Reallocation is important, but juggling with figures is no substitute for increased cash for the NHS. I hope that the Minister will win his battle with the Treasury to increase funding for the NHS.

5.2 pm

Mr. Edward Heath (Old Bexley and Sidcup): I offer my apologies to the Opposition spokesman for not being here during the opening speech. That was due to circumstances beyond my control. It is unlikely that I shall repeat exactly what the hon. Member for Holborn and St. Pancras (Mr. Dobson) said, because I intend to devote my speech entirely to my constituency of Old Bexley and Sidcup, the borough of Bexley and the Bexley health authority.

It is many years since I made a speech in this House about matters concerned solely with my constituency – indeed, it must be more than 35 years – but I find the current position intolerable and I cannot remain silent any longer. Some of us have held our peace when believing that wrong decisions were taken, but it is apparent that the damage is becoming so great that the facts must be stated. I do not blame my right hon. Friend the Minister, who is a prisoner of the system. It is the system that must be changed. I am glad that there is to be a review of the system, but we cannot wait very long to change it because of the damage it is causing to Bexley.

This country apportions about 6·2 per cent. of gross national product to health services. The general figure for countries of comparable size and wealth is 8·5 per cent. That, therefore, is our first lesson. We must be prepared to devote more of our resources to health, both private and public.

Secondly, I do not believe that allowing the Health Service to go private is the answer, other than to a limited extent. Those who suggest that we follow the American system are urging something that is wholly unacceptable in this country. The United States, its President and Congress are large enough to ignore the fate of millions of their under-privileged citizens. We are not only unable to ignore it, but are not prepared to ignore it. That is why we cannot follow that system. By all means, let us encourage those who can afford it to indulge in private health care, but the great majority cannot afford it.

Thirdly, as I have said many times, the Government are wrong if they think that the first priority is to reduce taxation still further. I know that taxation is still much higher than it was in the years 1970 to 1974, but that is no justification for saying that it must be reduced still further. If I ask my constituents, "Do you want your taxes reduced?", they will say yes. Indeed, I would say yes. However, if we ask them, "Do you want your taxes reduced at the expense of the education of your children and the health of your family?", the immediate answer is no. Yet that is what is happening.

Bexley is part of the great city of London; it is not part of a declining inner city. The population in 1981 was 217,000, in 1985 it was 218,500, and it is projected that by 1996 it will be 220,000. It is an expanding population, with a great demand on services, especially health. Moreover, there is an increasing elderly population. In 1981 the percentage was 29·8, in 1985 it was 31·2, and it is projected that by 1991 it will be 32 per cent. Bexley, therefore, meets the requirements set out by the Minister that it should be an increasing, not declining, population with an increasing, not declining, proportion of elderly people.

As the Minister said, people expect to be treated locally, and I can tell him that the people of Bexley expect to be treated in Bexley. My right hon. Friend was wrong to suggest that people needing specialist treatment are willing to travel to teaching hospitals and for relatives to have to travel to visit them after a serious operation.

That is precisely the argument that has been taking place over the Brook hospital cardiac unit. I am grateful to my right hon. Friend the Secretary of State for over-ruling the regional committee and keeping the unit there. However, the argument took seven years. That is an example of the bureaucratic incompetence of regional committees. They can argue for a long time about such a major facility as the cardiac unit at the Brook hospital. Indeed, that unit has a better success record than the teaching hospitals, and the cost of operations is cheaper than in the teaching hospitals, for obvious reasons.

Yet the same argument is taking place about the neurological unit at the Brook hospital, and that, too, has been going on for seven years. We still do not have a settlement, review after review goes on, and that is just not tolerable. I hope that I have established that Bexley has an expanding population with a larger proportion of elderly people who want to be treated with the necessary facilities.

I shall now deal with existing facilities, which is the real point of the argument. Bexley has Queen Mary's hospital which was built just over 10 years ago. It was opened by the then Labour Minister for Health. It has 556 beds, an outstanding maternity unit, many effective specialised departments and a major accident unit. It is up to date. It is a modern creation, yet it is being damaged because it is being refused the money to carry out its services.

I fully support equalising health treatment throughout the country. After all, I spent a large part of my political life trying to obtain a better deal for Scotland, Wales and the north-east of England. As Secretary of State for Industry, Trade and Regional Development in 1963-64, I dealt with this matter in the context of north-eastern

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regional development. Alas, those policies have been abondoned by this Government. I am in favour of equalisation, but not at the cost of the nonsense of refusing to use the modern facilities that we already have. That cannot make sense by any criteria.

Surely the first priority must be to ensure that modern hospitals with all the facilities are used, and then go on to build additional hospitals that are required to replace the older hospitals. One problem with the present formula is that when an area has to build a modern hospital to replace, for example, two older hospitals, as is happening in north and east London, extra money is required to run the two older hospitals while building the new one. That is why Bexley is suffering from less money. We cannot make use of the modern hospital that we have. The system is based on a fallacy and the Government took a wrong policy decision.

The Bexley health authority found that for 1986-87 it was due to have a deficit of £750,000 and that in 1989-90 the deficit would increase to nearly £1·5 million. Bexley has been told that it must meet the deficit by cuts or increased efficiency. Queen Mary's hospital is proven to be well above the national average in terms of efficiency, the speed of its throughput is faster than the national and regional average, and the cost per patient is lower than average. What more can be asked of it than that? A stage is reached when it is not possible further to increase efficiency and make cuts of up to £1·5 million.

The Government say that they are spending 20 per cent. more on real resources for the hospital service, but we know that 70 per cent. of this spending goes on nurses' salaries. That leaves a much smaller sum to make improvements elsewhere in the country. As there are shorter working hours for nurses, the burden on them and the demand for nurses is much greater than it was. That cannot be taken into account merely by saying, "Greater efficiency."

I have often been accused of being a technologist who is keen only on management. I am interested in management, but I have never suggested that someone who is a good Army officer or good at running an electronics factory will be admirable at running a hospital. If I have to go into hospital, I do not want someone running the show who has only just left the Royal Air Force. Nor do I want someone in charge who is especially good at producing television screens. I would want a good matron, and on that basis I would know where I was.

As my hon. Friends the Member for Bexleyheath (Mr. Townsend) and for Erith and Crayford (Mr. Evennett) are present, I should say that the Bexley mental hospital, which has 907 beds, is affected by the Government's policy. Similarly, the Erith district hospital, which has 31 beds, is affected by the cuts.

In dealing with the Government's demands, cuts are being made. What is the result? One ward has already been closed at Queen Mary's hospital. That means that the modern facilities in which the Government have invested capital are not being used. That ward will remain closed. There was a threat that the ward for disabled young people would be closed. We have been able to avert that threat purely by blackmail. Bexley has said, "A great deal of private money has been provided and if you dare close the ward you will never get any more money for a hospital in Bexley." The ward has not been closed. Unfortunately, a general ward remains closed.

In addition, one operating theatre is to be closed. That will reduce operating capacity by 20 per cent., or 1,760 operations a year out of 8,800. That will happen and that will be the direct result of the Government's policy.

There is to be a reduction in the number of beds in the surgical wards because of the closure of one operating theatre. As a result, there will be a reduction in emergency admissions. That follows logically from the closure of the operating theatre.

Less than a month ago one of my constituents said, "I know that you can do nothing about this, but you should know that my wife was taken seriously ill. I called her doctor and he came at once. He told me that she must have an immediate operation. We rang Queen Mary's and were told that no emergency place was available. We telephoned Dartford and were told, 'There is a ward, an operating theatre and a surgeon; bring her over,' only to find that there was no bed available for her after the operation. We were told that Dartford could not accept her. Finally, she was taken to Gravesend." For someone living in Sidcup, that is a considerable distance to travel. That is an example of what is already happening, and that is why the situation has become intolerable. I must make it plain that that is so.

In addition, the family planning surgical service at Queen Mary's hospital is to be abolished. That is surely a loss. My constituents do not understand why cuts are being made on their doorstep when the Government say that many millions of pounds of extra money are being provided for the NHS.

The Bexley mental hospital is to be closed eventually. Twenty old ladies who are psycho-geriatric patients have been taken from their ward they were accustomed to it, as were those who looked after them and spread around the hospital so that the ward can be closed. That is certainly not a step towards perfection. That is not making the hospital more effective. To move patients in that way is damaging and should not be allowed to happen.

The operating theatre at the Erith district hospital is to be closed. All consultants' beds are to disappear, along with the loss of 15 general practitioners' beds in one ward. That is because the necessary money is not to be made available, and not because of inefficiencies.

The community services will suffer as well. Two clinics are to close. Three dental clinics are to close, and there is to be a reduction of dental staff. The number of family planning clinics will be reduced from 10 to four. When these things are happening, how can I say to my constituents that they are getting a better health service and better individual care? It is not possible for me to say that that is happening. If I were to say that it was, I would be incredible, and I do not wish to be incredible.

Mr. Cyril D. Townsend (Bexleyheath): I support what my right hon. Friend is saying. Does he agree that, far from having too many hospital administrators in the Bexley health area, we have rather too few?

Mr. Heath: That is the case. My hon. Friend and I have spent a vast amount of time talking to hospital administrators, to the Bexley health committee and to the chairman of the regional health authority. It is easy to say

that a reduction in the number of administrators will bring about the savings that are required, but a point is reached when it is damaging to the service to reduce the administrative staff.

The ambulance service will be cut because of the abolition of the GLC. Many chair cases will not be taken by ambulance and walking cases will have to find other means of transport to get to the hospital when required. This is happening already.

Mr. Tony Banks (Newham, North-West): Will the right hon. Gentleman give way?

Mr. Heath: I have taken too long already. I know the point that the hon. Gentleman wishes to make. We have sometimes been in agreement about the GLC.

I have outlined the facts with which we must deal. It is intolerable that Bexley should have its modern services damaged because new services are going to be made available in other parts of the country. New services can be provided only if we have an expanding economy and are prepared to use a greater share of our wealth to support the Health Service. If we try to take the opposite approach, we shall damage the new resources which have already been provided. That is no answer to the problem. If the Minister is bound to have the review of RAWP, so be it, but I ask him to ensure that it is done quickly. I would much prefer no review to be undertaken. It would be better if he took the action which he knows to be necessary, my colleagues and I having had long talks with him.

Mr. Nicholas Budgen (Wolverhampton, South-West): My right hon. Friend may know that there are some who criticised the last part of his period in power on the ground that the money supply was growing too fast. Sterling M3 has grown over the past three months at an annualised rate of 39 per cent. What measure of growth would he like to see? By how much more would he like to see credit expanding?

Mr. Heath: I appreciate my hon. Friend's anxiety. The most recent figures show that M3 money supply is growing at one and a half times the maximum rate at which it grew between 1970 and 1974. It is natural that my hon. Friend is alarmed when we have a Government whom he supports, which was not the case with my Government. My hon. Friend is out of date on M3. He must listen to the Chancellor of the Exchequer, who says that M3 no longer matters. My right hon. Friend has already abolished M3, M2 and M1. We are back to MO. Perhaps my hon. Friend will wish to follow him and to take up MO, which suggests that everything is all right. That will mean that we can have more money, which will stop the Government ruining a good service. That is why I urge my right hon. Friend the Minister not to waste a great deal of time on reviews. He has seen the problem clearly. It is necessary to let those of us who are fortunate to have modern resources to use them effectively and to keep them. We cannot justify to the electorate doing otherwise.

5.10 pm

Mrs. Renée Short (Wolverhampton, North-East): The right hon. Member for Old Bexley and Sidcup (Mr. Heath) described perfectly what is happening in every constituency. I am sure that if Conservative Members were willing to ascertain what is happening in hospitals in their constituencies they would find cases similar to those that the right hon. Gentleman described. The Select Committee has spent some time considering the problems. We have ventured into areas, as the right hon. Gentleman said, where there is considerable pressure on hospitals. I am not surprised that the Minister for Health did not refer in his opening speech to the catastrophe that has befallen him in the resignation of Mr. Victor Paige. Mr. Paige, who was in post for a matter of months only, was head-hunted at an enormous salary. He decided that he could no longer continue in the job. The Select Committee will probably want to pursue that matter in the near future.

Mr. Paige gave evidence to the Public Accounts Committee some two months before the Secretary of State for Social Services announced the resignation. In that session with the PAC, Mr. Paige listed his achievements. In 1985-86, there was a cost improvement of £150 million, of which £120 million was cash-releasing. Short-term programmes for the regions for 1986-87 also show a cost improvement of £150 million, cash-releasing — an increase of £30 million over 1985-86. Taking those figures back to 1984-85 and up to 1986-87, a total of £700 million cash-saving will be produced for the National Health Service. By the end of 1986-87, that will produce £400 million for the National Health Service on a recurring basis. When the 1987-88 CIP commences, a base of £400 million will be rolled on and repeated. Anything achieved then under cost improvement cash-releasing will be over and above the £400 million. That sounds absolutely marvellous. Hon. Members might say, "What are we worrying about? All that lovely lolly is available for all the development that we have not been able to fund." The challenge is, as Mr. Paige admitted, that savings must be made and retained to keep on improving services. Certainly, this year the regions are committed to delivering a cost improvement, cash-releasing programme of £150 million.

The other part of the package is that manpower savings must be made. Mr. Mills, from the Department, told the PAC that for every million pounds released by any region "we could expect to see at least 100 people being reduced from the payroll."

That is, in a full year. There is the rub. Those considerable savings are expected to be made, but they must not include the withdrawal of services or service reductions. The North East Thames regional health authority was examined and the board was satisfied that it was not trying to hide service cuts within a CIP.

However, the Select Committee discovered, in reply to questions on 4 June, that the volume of resources going into hospital and community health services has increased by only 6·3 per cent. since 1979-80 — about 1 per cent. per annum — and most of that was in the earlier years. Since 1980-81, the increase over five years has been only 3·1 per cent. In fact, in the three years since the last election the increase has been less than over half of 1 per cent. In other words, the purchasing power of the hospital service has been at a standstill for three years. That is where all the problems lie.

Hospitals, especially those in the London region and in all the large cities, are struggling with an increasing number of elderly patients, with finding resources to introduce and develop further medical advances. Ministers have generally agreed that we need a service growth of 2 per cent. per annum. That that is not forthcoming is a matter of acute concern to the medical profession — the nurses, the paramedics, and so on. That is what led the

[Mrs. Renée Short]

leaders of 12 teaching hospitals last Monday to describe the crisis they are facing after inner London had suffered cuts of £35 million last year. We cannot cut that amount out of a large city without damaging the fabric of the Health Service. The consultants, those responsible for delivering expert care and those who have academic teaching responsibilities have complained. Dr. Croft of St. Thomas' hospital has said:

"The crisis was a national disgrace, many useful and productive human lives have been lost and staff, including nurses, secretaries and porters are leaving because of their rotten pay. Beds are being closed and waiting lists increase."

We cannot overlook the effects of the review body awards to doctors, nurses, and other NHS staff. Morale falls when pay levels to all but the highest paid are well below the average. Whitley staff, in particular, have become very disillusioned.

The Secretary of State has the following questions to answer. First, can pay settlements be adjusted and cost improvements contrived, as far as he requires them to be, without harming patient services still further? If not, will he provide additional resources to maintain growth? Secondly, is he satisfied that the NHS management board's new accounting framework can properly assess, monitor and provide information about local value-for-money strategies? Thirdly, I ask what response he makes to Mr. Paige's reference in his letter of resignation to

"the different perspectives, priorities, objectives and restraints of Ministers and the Chairman of the Management Board".

Fourthly, how is he facing up to the problem – which he and his predecessor embraced wholeheartedly – of the growing cost to community care of those patients discharged from long-stay hospitals and the effects of that both on NHS and local authority expenditure? The problem affects every region, large city and local authority. What is the answer to the question? The Select Committee has referred to it, but we have not had a satisfactory answer. Fifthly, it is generally agreed that we need 2 per cent. growth per annum. Will the Secretary of State tell us whether that will happen?

My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) referred to the Institute of Psychiatry. The Minister will have read the letter that appeared in *The Times* on 27 May from Professor Griffith Edwards who runs an important and internationally known alcohol abuse clinic at the Maudsley hospital. The Minister will know exactly what was said in the letter signed by various consultants, some of whom are acting as advisers to the Select Committee in its inquiry into the prison medical service. We hope that in the not-too-distant future the results of the inquiry will be published. I can promise the Minister that the inquiry will show some serious problems that need urgent attention. I do not suppose that that will surprise him.

The consultants at the Institute of Psychiatry also wrote to me on the same day as the letter appeared in *The Times* pointing out that the work they do concerns important areas that the Government have said require attention as a matter of priority. They referred to the aspects which I have mentioned – mental illness and mental handicap – as well as to drug and alcohol abuse and caring for the elderly. They stated:

"the hospital's DHSS grant has failed to keep pace with inflation in recent years, and in consequence the hospital is underfunded by approximately £400,000 per annum and has accumulated an £800,000 deficit. The health authority's initial plan to recover this deficit involved closing our . . . Alcoholism Treatment Unit (directed by Professor Griffith Edwards), substantial portions of the Child Psychiatry Department . . . a neurosurgical ward, and part of the Mental Handicap Unit. Because of the public outcry the Special Health Authority has postponed these closures".

Unless the money is forthcoming, those closures will take place.

The dean, who wrote to me, said that the second reason for the institute's difficulties arose from the progressive squeeze on universities. He said:

"The Institute of Psychiatry receives approximately £2 million per annum from the University Grants Commission via London University"

for its teaching responsibilities. It gets another £4 million from other sources, such as research councils, industry and charities. The institute's basic university income provides the salaries for those who seek the additional funds. The erosion of the university grant means that the institute is running a deficit of about £200,000 a year.

The squeeze on academic salaries adds to the problem. The Institute of Psychiatry has already lost three professors and five clinical posts, which is a serious loss for a teaching hospital. I hope that the Under-Secretary of State will paint a more convincing picture than the Minister for Health.

5.21 pm

Mr. Roy Galley (Halifax): The hon. Member for Wolverhampton, North-East (Mrs. Short) made a number of valid points but was rather selective in citing the statistics given to the Select Committee.

Mrs. Renée Short: One always has to select such statistics.

Mr. Galley: Of course, but by selecting statistics one can slant the argument in a particular direction. The hon. Lady did not fully recognise the enormous growth in resources and the improvements in the family practitioner service which inevitably have caused problems for expenditure on hospitals. She did not recognise that the increased pay for NHS staff, especially nurses and doctors, has imposed pressure on NHS resources, or that the squeeze on NHS revenue, pay and capital between 1974 and 1979 has caused a backlog which has since had to be cleared.

The implication of the Opposition's motion, which was so vividly portrayed by the right hon. Member for Stoke-on-Trent, South (Mr. Ashley), is that the big conurbations, which already attract disproportionately large resources across so many aspects of Government activity, should receive further preferential treatment. One accepts that there are problems, but, in round terms, that proposal should rightly be resented in smaller provincial towns. The previously bipartisan policy of the fairer distribution of resources has meant improvements in health facilities for smaller towns, such as the one that I represent. The Calderdale area health authority has still not reached its target under the resource allocation working party formula but has improved its position by more than 2 per cent. in the past five or six years. That has meant £500,000 extra to provide services. It is right and fair that there should be such an improvement in the provinces where there has been inadequate resourcing. The aim of the Opposition's motion is effectively to reverse that trend.

The Opposition may object to what I have said and say that that is not what they want and that they want to

increase resources across the board—plucking funds, as ever, from the magical money tree. The unit costs of providing services in these urban areas often exceed the unit costs in smaller, more efficient hospitals. London receives a disproportionate share of resources for its population and, even taking account of London weighting, unit costs for the provision of particular items of service can be as much as 30 per cent. higher than in other parts of the country. In effect, the Opposition's motion is saying that the provinces should subsidise London and the other conurbations underwriting and ingraining those inefficiencies. [HON. MEMBERS: "No."] Of course there are particular problems, but, in general terms, that is what the motion seeks to do.

There will be additional resources during this financial year. Inflation will be significantly lower than projected. Oil prices have been significantly reduced. Those facts as well as prudent management in parts of the Health Service mean that there will be money for considerable expansion on a national basis. It may not affect every area, but in certain parts of the country there will be scope for considerable increases in expenditure. No doubt, given all the information that we have received in this debate, there is a case for a modest and carefully allocated increase in resources and for looking again at the formulae for teaching hospitals. No doubt, there are grounds for gearing allocations to take account of socio-economic factors as well as population changes. No doubt, the numbers of people who are working, but not necessarily living, in the cities is a relevant factor which present policies do not fully recognise. But essentially the problem is one of management. Some parts of the NHS are better managed than others. All of it could be better managed. We must not retreat from encouraging that improved management and stopping the subsidy of inefficiency.

When some services can be provided by the private sector at half the cost of the NHS, we cannot give up the fight for better management and more efficiency. When one hospital, for example, loses, as a result of pilfering, 25 per cent. of its linen budget each year, we cannot give up. When, for ideological reasons, health authorities lose the taxpayers' money by failing to co-operate with the private sector, we cannot give in to inefficiency.

The Opposition pretend that better management is not caring. They claim that inefficiency is caring. It is the reverse. The efficient use of resources—I do not claim that all the resources are used efficiently—allows more people to be treated, which means more, not less, caring. We do not want a health service that will be judged to be successful by the number of sick people in beds. We want one where success means more well people.

Ultimately, I become angry about the Opposition's two-faced hypocrisy. They are seeking to make political capital from people's suffering. The Labour Government cut the hospital building programme by one third, and for two consecutive years cut revenue spending. They did not curtail the rate of growth; they cut expenditure. I became angry that some consultants and some people in organisations such as the Royal College of Nursing aid and abet the Opposition when part of the problem is that they have had such a good deal, in terms of pay and conditions, from this Government, in stark contrast to the shabby way in which they were treated by the last Labour Government.

Mr. Tony Banks *rose*—

Mr. Galley: The struggle for better management will be long and arduous.

Mr. Pavitt *rose*

Mr. Galley: We need to stop the Health Service from being a political football and to allow managers to manage in a caring way. Radical steps may well be needed to achieve that. We should consider putting the NHS at one remove from political control and creating a quasi-nationalised industry concept. We need the NHS management board to manage. We should look again at health authorities and community health councils, replacing them with a more effective consumer voice.

Parliament and Government must be involved in health, but the day-to-day management of such a vast service with 1 million employees cannot be controlled centrally by Government. It needs to be effectively devolved with a more independent supervisory national board. Government and Parliament should determine the policies and the principles of the Health Service but leave the daily management to Health Service professionals. That concept has worked well with other services provided on a national basis and it can work with health.

Of course, funding would be a problem if independence was to be established. We would need to consider a devolved structure with perhaps a system of regional health charges on the lines of the community charges which are now proposed, so that people would know what they were paying for health and could monitor service improvements in direct relation to the increased taxation. There would always need to be an element of central funding to take account of special health authorities, medical education, specific circumstances and problems, but management and funding need to be devolved, in the interests of the patients in the hospitals, if our already successful Health Service is to meet successfully the challenges of the future. One of the greatest challenges to the Government during the next few years will be to take people's health and children's education out of the forefront of the political arena within the principles set down by Parliament.

5.31 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I listened with great interest to the speech of the hon. Member for Halifax (Mr. Galley). If I am correct in saying that he is the chairman of the Conservative Back-Bench committee on health, it augurs ill for the future development of Conservative policy on health. If the thoughts that the hon. Gentleman expressed this evening are typical of the thoughts and the new development of ideas in Conservative circles and in the Back-Bench committee, I fear for the future of the Health Service. I could devote my entire speech to responding to the hon. Gentleman's comments, but I had better resist that temptation.

I shall recommend to my Liberal and SDP colleagues that they should support the principal motion tabled by the leader of the Labour party. We are discussing an Opposite motion which contains the main elements of health care that worry us. Care for everyone, training problems for doctors and nurses, conditions in which staff work, research facilities and the promotion of good health are issues which also give us cause for anxiety.

I was deeply impressed by the speech made by the right hon. Member for Old Bexley and Sidcup (Mr. Heath). I

[Mr. Archy Kirkwood]

have rarely heard such a powerful exposition of local problems that demonstrated the challenges that face us nationally. The Government are obliged to take account of everything said by a right hon. Member of such experience and substance in the House.

I support the Conservative amendment to the motion in so far as it refers to the dedication of the staff. The staff of the National Health Service are under a pressure which they have never experienced before. I had direct experience of that pressure when I took up a challenge offered by the *Nursing Standard* to be a porter in an accident emergency unit in Whipps Cross hospital earlier this year. I spent a 10-hour night shift there and learnt a great deal about the pressure under which the staff operate. I hope that the Government will bring forward the review of the resource allocation formula. I hope that changes will be implemented soon after the review reports to the Department later this year.

I did not agree with the hon. Member for Halifax that money should be removed from London to fund the provinces. The difficulties in big city hospitals are caused by matters such as the extent of social deprivation, the teaching costs inevitably incurred in the big teaching hospitals and the cross-regional and cross-district flows. When the Minister for Health referred to the RAWP review, he mentioned those problems specifically. I hope that those matters will be urgently considered and urgently acted upon when the Minister receives the report.

The quality of care in the big city hospitals is under threat. The statistics that the Government frequently throw from the Dispatch Box do not face up to the difficulties of achieving and maintaining the quality of care. The statistics may show increased throughput of patients, but the statistics on the use of beds do not refer to readmissions and the damage that is often caused to patients by being chucked out of wards earlier than their medical condition would warrant.

I read an article in *The Guardian* this morning about waiting lists, which said that DHSS Ministers are to put up a stiff fight to try to get some extra resources from the Treasury to reduce the appalling level of waiting lists across the country and particularly in our big city hospitals. I would give the Minister for Health every support to try to obtain extra resources, not just as a cynical political guise to get him through a general election but because the need is there, and evident to all.

Dr. John Marek (Wrexham): I wish to follow the hon. Gentleman's point about readmissions. There may be extra readmissions simply because of discharges made prematurely. The Minister said that the figures that he has seen did not lead him to consider the figures he was quoting differently. Does the hon. Gentleman agree that it would be good for the public and for the House to know what figures the Minister was considering which led him to make that comment earlier this afternoon?

Mr. Kirkwood: I shall take up that helpful intervention. I ask the Minister to take notice of that point, take it back to his Department and consider writing to hon. Members who are interested in those matters, such as myself and the hon. Members for Wrexham (Dr. Marek) and for Holborn and St. Pancras (Mr. Dobson), and give us the evidence used in the Minister for Health's statement earlier this evening.

I shall make some comments about the Liberal party's attitude to helping the plight of the big city hospitals. First, we must start — the right hon. Member for Old Bexley and Sidcup made a powerful argument for this at the beginning of his speech — by devoting an increased proportion of our gross domestic product to the Health Service. Having considered the issues, I believe that an annual increase of at least 2 per cent. is required just to stand still in terms of funding the health budget. The Liberal party would commit itself to attempt that, as far as it was possible to do so.

In terms of the problems that exist, we would try to give more emphasis to the prevention of illness and community care. If more was spent on prevention and on community care, much of the pressure would be removed from the big city hospitals. Even such things as general practitioner hospitals in big cities and in rural areas could be used to give general practitioners the opportunity to practise in some of those smaller hospitals which Conservative Members are so keen to close in order to put people into huge palaces of high technology medical care. More could be done to save some of those general practitioner hospitals to keep some of our elderly people in acute beds closer to their families. An example of that exists in the border region where the Government are putting in a new district general hospital, which is small by national standards, but we are in the process, on a supposedly temporary basis, of closing Sekirk cottage hospital in the surrounding area as a consequence of lack of finance.

The problems of big city hospitals could be alleviated substantially by making proper and prudent use of some of the smaller hospitals and using them as general practitioner beds.

With regard to London, I underline what the hon. Member for Holborn and St. Pancras said about the Maudsley. That is an absolute litmus test of the Government's attitude towards those hospitals and institutions which have not only a national but an international reputation. The Maudsley does valuable work in the prevention of alcohol problems, drug abuse and adolescent problems. It is a litmus test of how the Government will proceed in future. If the Government do not provide the resources that that institution and others like it need, how will they manage to survive the financial pressures that they are under?

In terms of the problems outside London, I understand that the latest estimate is that about £1·7 billion needs to be spent on the fabric of our big city hospitals. One could not expect to achieve such a capital expenditure programme during one Parliament. However, I get the impression that the capital allocations mentioned this evening by the Minister do not meet the problems. They ignore the difficult new pressures, including AIDS, which face the institutions in our big cities.

The Government have not devoted anything like enough money to research into the prevention and cure of AIDS, nor have they devoted enough money to the provision of the intensive nursing facilities that are required to deal with the effects of the virus. Not only do the staff at St. Mary's hospital at Paddington deserve much more recognition for their dedication and their work; they require extra resources.

The problems are enormous and are exacerbated by poor housing and bad social conditions. The method of funding must be changed to take account of the underlying important root causes of illness and poor health, especially

as they affect the elderly. The provincial services must be allowed to improve, but not at the expense of the major London teaching hospitals, many of which carry out important research into the prevention of disease. The staff must be properly motivated and rewarded for their dedication. I was especially upset to hear the hon. Member for Halifax say that nurses are well rewarded. If one visited any hospital and suggested that this was the case, especially against the background of the past two years—

Mr. Galley: Will the hon. Gentleman give way?

Mr. Kirkwood: No, I do not have time.

Last year, the nurses' long overdue and meagre increase was phased, and this year three months' worth of their increase was sliced off the top. If the hon. Gentleman considers that to be proper treatment, he and I define the phrase differently.

The aging population, increasing specialisation in surgery, new viruses such as AIDS, the abuse of heroin and alcohol, and tobacco-related diseases have created demands on our big city hospitals. Community care, prevention and education also create extra demands for resources. The need for these resources is urgent, and action is necessary now—or the hospital system may collapse.

5.42 pm

Mr. Rob Hayward (Kingswood): First, I should take up a comment made by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). I was surprised that he did not give way to my hon. Friend the Member for Halifax (Mr. Galley) in comparing nurses' real take-home pay. My hon. Friend did not refer to this year's award. He compared their real take-home pay under the Labour Government with the current position.

It is not surprising that the hon. Member for Holborn and St. Pancras (Mr. Dobson) did not refer to the achievements or failures of the Labour Government. He was not a Member of Parliament at the time and did not, therefore, have to suffer the tidal wave of complaints, which some Opposition Members may recall, from constituents because the Labour Government cut the Health Service.

I wish to quote the Labour Member of the European Parliament who represents Greater Manchester, North who wrote in her diary:

"All things bright and beautiful,
All projects great and small,
All things wise and wonderful,
Denis Healey CUTS them all.
Healey cuts the Old Age Pension,
Although he cuts by stealth,
And when he looks for savings,
Healey cuts the National Health."

The hon. Member for Wolverhampton, North-East (Mrs. Short) made a series of calculations which bear careful consideration because inflation can be calculated differently for different areas of the economy. The hon. Lady came to the conclusion that in the past three years there has been a standstill in expenditure on the National Health Service. A Labour Member's calculations have thus laid to rest her party's accusations that there have been cuts in the NHS. The word was "standstill", not "cuts". I disagree with some of her calculations, but at least she made them logically and carefully.

As far as I can recall, the hon. Member for Holborn and St. Pancras also rewrote history in the House. He was the first Labour Member who made any reference to or acknowledgement of the winter of discontent of 1978-79. It is worth considering hospital waiting lists, which the hon. Gentleman dealt with in substantial detail. He tried to cover up the changes in hospital waiting lists. The figures that he used were provided in a written answer of 18 April at columns *536-37*. The latest hospital waiting list is 674,000 people. When we replaced the Labour Government in 1979, they left a waiting list of 752,000 people. Therefore, according to those statistics, the Government have reduced it by about 80,000. The hon. Gentleman made a series of calculations claiming them to be fiddled figures. In 1974, the Labour Government inherited a hospital waiting list of 508,000. They managed to add 50 per cent. to the waiting list in their five years of government.

Mr. Pavitt: The hon. Gentleman forgets the consultants' strike of 1974 and the junior hospital doctors' strike of 1975. The increase in the figures was due to the backlog caused by the strikes. The hon. Gentleman mentioned the winter of discontent, but when the doctors went on strike no one mentioned it. The Tory party supported the doctors.

Mr. Hayward: That intervention was absolutely fascinating, because—

Mr. Robert Wareing (Liverpool, West Derby): It was truthful.

Mr. Hayward: It was not truthful. There was a reference to the dispute of 1974. In December 1973 the waiting list was 508,000, in June 1974 it was 508,000, and in December 1974 it was 517,000. That first dispute, which the hon. Gentleman tried to identify as one cause of the increase, had no impact on the figures. The Labour Government managed to increase hospital waiting lists during a period without disputes. When they had the opportunity to run the NHS as efficiently as possible, they increased hospital waiting lists by almost 25 per cent. That was the Labour party's achievement, which we inherited. They now try to massage the figures to suggest that we have not reduced the waiting lists.

The latest figure is 661,000. There has been a further progressive decrease in waiting lists—

Dr. Marek: They have been going up.

Mr. Hayward: The hon. Gentleman intervenes from a sedentary position with the comment, "They have been going up." The figures given to the hon. Member for Holborn and St. Pancras, which he did not challenge in his speech, show that for each half year since 1983 there has been a decline in hospital waiting lists.

Dr. Marek: If the hon. Gentleman read the figures for the past four half-yearly periods, he would see that waiting lists have been increasing. It is all very well to take selective figures at certain periods, but the special circumstances explain them. The net effect since the Government took office is that waiting lists have increased.

Mr. Hayward: The waiting list went from 752,000 in March 1979 to 674,000 in March 1985. It is a fascinating juggling of figures. I wonder where the hon. Gentleman obtained his degree if that is what he calls "going up." By anyone's calculations, it is a reduction of 80,000.

The hon. Member for Holborn and St. Pancras attempted to give me a geography lesson on Bristol. I wish

[Mr. Hayward]

he had not tried. I intervened and queried the issue of the hospital waiting lists. He said that I should know that three health authorities cover Bristol. I am well aware of that and I can name them Southmead, Frenchay and Bristol and Weston. When he produced his cumulative figure, he failed to identify the fact that they cover not only Bristol but five other parliamentary constituencies.

The hon. Gentleman went on to mention Wendover hospital which was closed three years ago. He said that the Government are trying to close it, so he is obviously not aware of the fact that it has already been closed. That hospital is not even in Bristol; it is in Kingswood. It is outside the city to which he thought he was referring.

Even if the waiting lists for Bristol and Frenchay are combined, which would cover most of the city, the totals have gone down. The investment in the health authority is visible for anyone to see. The right hon. Member for Bristol, South (Mr. Cocks) made an intervention, if the hon. Member for Wrexham (Dr. Marek) can remember. The right hon. Gentleman referred to investment in the Bristol Royal infirmary and the Bristol eye hospital, both of which are university teaching hospitals, in which several million pounds have been invested. I believe that there is £4 million of investment in the Bristol eye hospital. Frenchay hospital, which is the other major general hospital on the eastern side of the city, has just announced phase one of a redevelopment programme, involving investment of £6 million, which will serve the eastern side of the city. There are not only those investments, but the continuing construction of the Weston hospital, which is a major new general hospital, and investments in smaller projects such as—

Dr. Marek: In *The Guardian* on 3 June 1986 there was an article which began:

"Most medical schools face budget deficits of between 2 and 11 per cent next year because of Government cuts, the British Medical Association said yesterday."

If that is the case and the hon. Gentleman's area is not having those cuts, I suggest that it is at the expense of even greater cuts almost everwhere else in the country.

Mr. Hayward: I was referring to capital expenditure, which was a point made in the speech of the hon. Member for Holborn and St. Pancras. The hon. Gentleman attempted to deny that capital expenditure was taking place. I was identifying investments of substantial size within Bristol and the immediate area.

If one looks at smaller projects, there are investments in major health centres, such as Cadbury Heath, and a new ambulance station at Sandwell. Projects of that type are going on all the time and are part of a major improvement in the Health Service which did not take place under the previous Labour Government.

I should like to raise one or two specific points which relate to my constituency. We have heard a number of contributions relating, quite reasonably, to the problems of the resource allocation working party. The right hon. Member for Stoke-on-Trent, South (Mr. Ashley) identified extremely well the problems faced by the provinces. We all know, if we are outside the main home counties, that there has been a gross imbalance, and it is not right that that should continue. It may be that RAWP has to be looked at to ensure that some of the anomalies identified by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) do not continue. However, it is not right that a constituent of mine can be told that he has to wait between 12 and 18 months for a heart bypass operation when, if he were in London, he would have to wait for only three months. We cannot continue to accept that.

Mr. Tony Banks: How long does the hon. Gentleman want him to wait?

Mr. Hayward: I would not want him to wait at all. There is a regional imbalance which we must recognise and resolve.

I deal now with expenditure in terms of management. There have been cases identified of odd or unnecessarily high expenditure. References have been made to linen contracts, catering contracts, and so on. People are still being asked to cut their services and to reduce the number of hours worked. At the same time they are asked what design of Laura Ashley wallpaper they should have in the wards around them. That is a gross misdirection of money, and we should address ourselves to such issues.

There is no doubt that the recent decision on nurses' pay has had a serious impact on morale. The award was intended to be over a full year. I think that all nurses and hon. Members of both sides will be extremely disappointed that it has not proved possible to make that award for the full year. However, as my hon. Friend the Member for Halifax said, the overall terms and conditions are improving and should continue to be improved.

5.55 pm

Mr. Lewis Carter-Jones (Eccles): I believe that the right hon. Member for Old Bexley and Sidcup (Mr. Heath) spoke for every hon. Member. Anyone who has spent any time in the House can recall in some form or another the problems that he enunciated. I pay that tribute to him. It is the first time in 22 years that I have heard him make a constituency speech, and he spoke for hon. Members on both sides of the House.

In his opening speech the Minister placed great stress on the fact that they have reduced the rate of perinatal mortality and handicap. Hon. Members who have been here for some time will know that I fought that battle about 12 years ago. I take no great credit for it. It was brought to my notice by the Spastics Society which felt that, although it was caring for children with cerebral palsy, it should try to do something about prevention. James Loring of the Spastics Society started the campaign, and I suppose that I was the House of Commons postman. I delivered the parliamentary questions with the help of people such as Mary Holland, who is now the researcher for MENCAP, and Peter Mitchell, who is now the researcher for the Royal Association for Disability and Rehabilitation. People gradually became aware of the problem. If one read all the reports on perinatal care and the prevention of disability from 1920, one would swear that the same man wrote every conclusion. The one thing that was common to them all was the need of special baby care units.

The perinatal mortality rate is down, but the Minister should not take too much credit for it because the campaign was started long ago. My hon. Friend the Member for Wolverhampton, North-East (Mrs. Short) chaired the Select Committee which looked into neonatal care. One of the strange things that happened was that the

Select Committee was allowed to take its evidence through from one Parliament to another. The Committee reported in 1979 and made the same observation — that we needed special baby care units and minimum standards of maternity care.

If the Minister wants to take credit for the decline in perinatal mortality, he must also take responsibility for the omissions. If special baby care units reduce perinatal mortality and, above all, reduce baby disabilities, then, in the long run, the Minister can save money. Imagine my feelings when I received a letter from two eminent pediatricians in my constituency at the Hope teaching hospital, men for whom I have the highest regard and who have great dedication, which said:

"In view of the Region's inability to support the modest capital development, we are unwilling to continue to accept the pressures which the provision of a Regional Neonatal Service entails and in the absence of a firm and early starting date for the proposed expansion, will be ceasing to accept neonatal referrals as of 1 July 1986."

If the Minister wants the credit he must face the reality. There is not a large sum of money involved and, as the right hon. Member for Old Bexley and Sidcup said when he talked about the problems of his constituency, that can be multiplied up and down the country. Special baby care units will reduce perinatal mortality and disability. In the short run, they will save considerable sums. If the Minister wants credit, he can have it. However, with the credit he must accept the responsibilty for Hope hospital unit and all the others involved.

Mr. Favell: Is it not a fact that as facilities improve elsewhere in the region, for example in my district of Stockport, there will be less demand for the excellent services given at Hope? Consequently, people will not come from Stockport to Hope, and there will be less demand there. Should not people cut back at Hope so that we can spread resources elsewhere?

Mr. Carter-Jones: I fear that the hon. Gentleman has missed the point. A special baby care unit cares for those in urgent need. One does not need a large multiplication of units. The units should be spread at reasonable distances so that the babies can be brought in quickly. If I had my way, part of the Royal Air Force helicopter training exercise would be to bring pregnant mothers quickly from distant places to the units. That is the key. We want more special baby care units, but they should be distributed so that they can be easily reached. That is the point. Indeed, I understand that there may be some developments in that area.

There is a distinct possibility that other hon. Members on both sides of the House wish to speak, so I shall be brief. Let me ask a few questions. There was a specially leaked news item in today's edition of *The Guardian* — *[Interruption.]* I am delighted that David Hencke got it right without the Minister having to be consulted.

Under the allocation of money to the Manchester area, and as Salford has teaching hospitals, will money be supplied to the Salford district health authority?

Ministers have given us a considerable lecture on Griffiths. Administrators from the outside world can bring great quality and skill to hospitals. Indeed, the right hon. Member for Old Bexley and Sidcup had a thing or two to say about that. Will the Minister explain to hon. Members who represent constituencies in the north-west why the Department of Health and Social Security auditor has discovered that millions of pounds have not been spent on treating patients, paying nurses or looking after doctors, but have been wasted on buying a computer? The documents relating to the bids have not been discovered, according to up-to-date information from today's edition of the *Daily Telegraph*.

If people want to talk about care in the community, they should not pay lip service to it. If rehabilitation can be and is properly practised, they should make sure that those who are rehabilitated are not returned to the conditions that caused their ill health or suffering.

We talk about joint funding. This matter has been raised time and again with the Department. Mentally ill people from Prestwich hospital cannot be returned to the community because there are no facilities for them. That problem should be resolved. If we pay lip service to the concept of returning them to the community, but do not do so, that is no reason for running down the hospitals in which they have to stay. That should be borne in mind. If we are efficient in rehabilitating the elderly, as we are at Ladywell hospital in my constituency, we should not return them to the homes and conditions that caused the decline in their health.

I make one final plea for the regions. The Minister would do us all a favour if he had words with the Department of Education and Science about the way in which limited resources for the Medical Research Council are distributed. We are not morons in the outstations. All talent does not lie south of Cambridge, yet the Medical Research Council, in allocating its resources, employs about 1,500 people south of Cambridge and 150 north of it. When I draw the line north of Cambridge, as a former RAF navigator, I can swing it sharply down to hit the coast somewhere near Bournemouth, so one can see that 1,500 researchers are employed by the MRC in the area on the line from Bournemouth to Cambridge whereas the rest of England has 150.

I ask the Minister to have discussions with his colleagues in the Department of Education and Science to find out whether there can be a fairer allocation to the inner city areas and teaching hospitals in the north-west, the north-east, the midlands and the south-west.

6.5 pm

Mr. Andrew Rowe (Mid-Kent): My right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) may have reservations about committing himself, when he is not well, to a service run by the Royal Air Force, but I am delighted to follow an hon. Member — the hon. Member for Eccles (Mr. Carter-Jones) — whose aspiration is that large numbers of babies should begin their lives thanks to the benevolence of the RAF.

The public should understand some of the statistics that are bandied about in the House. What my right hon. Friend the Minister for Health said about the proportion of the gross domestic product devoted to the NHS having increased sharply since the Government came to office is not only true, but should be understood. The amount of money being spent on the NHS in real terms has also increased sharply since the Government came to office. Those are important refutations of the campaign of misrepresentation which the Opposition have sought to spread over the country to denigrate the Government's achievements. But, at the end of the day, the public will not be very interested in statistics. They will be interested

[Mr. Andrew Rowe]

in the realisation that the problems of the NHS are not just of the past so many years, but were endemic from the day the NHS was brought into being.

The real problem is that, out of 1,000 people, about 750 will show a symptom, and of them 250 may go to a doctor. Of that 250, about 10 may get into a hospital, and of that 10 one may end up in a teaching hospital. Yet it is the teaching hospitals, looking after that minute proportion of patients, which still dominate the NHS and the sympathy of the public.

The 15 teaching hospitals in London were all built within a cab ride of Harley street. That mix of interests persists and still distorts NHS provision. I ask my hon. Friend the Under-Secretary whether the time has come for a serious look at whether the persistence with the special teaching districts should now be done away with.

I spent 12 years of my life working in Health Service administration and teaching in Scotland. There are no special teaching districts in Scotland. The Scots took a decision from the beginning that the NHS in Scotland would benefit greatly from the inclusion of those centres of excellence in the general body of the NHS. The time has come to look seriously at whether the continuance of those extraordinary survivors is to the benefit of the NHS as a whole. I want to see centres of excellence elsewhere in the country. It is wrong to allow the great consultants' dependency on their private practices to slow down or thwart the transfer of teaching from the great cities to places where people live now.

My right hon. Friend the Member for Old Bexley and Sidcup was grossly unfair to the Government in much of what he said. However, he was absolutely correct on one point: where there are modern, up-to-date facilities of the highest standard, it is lunacy to insist that very expensive technology should be placed in Victorian hospitals where standards of cleanliness make it more dangerous to go into hospital than to remain outside. We want centres of excellence in modern facilities in other places spread around the country. If the facilities were placed where it was convenient not for the consultants — as they are presently organised — but for the patients, the consultants would soon move to the equipment rather than the people to the consultants.

Why should the Medway health district—one of the health districts in my constituency—which still has only 77·2 per cent. of its entitlement under RAWP, despite the Government's real assistance to the district, lose £3 million a year ferrying patients from Medway to London, through heavy traffic, to receive treatment which ought to be available in the district and which the district is keen to provide?

It is bad economics, bad health care and bad policy for people to be treated in high-cost hospitals, in densely populated areas, when they could be perfectly well treated in places where accommodation and bed costs are cheaper and where the standard of living of the staff would be higher. I am in favour of a review of RAWP and I support the Government's amendment. However, that review should not under-estimate the facts. Medway's population is 326,000 and it received £42·9 million this year. Lewisham and North Southwark has a population of 318,000 but it will receive £101 million this year.

It is a grave disservice to the National Health Service for people to bandy about sums of money to imply that we are damaging the Health Service. We are beginning slowly to move facilities to where people live now. My hon. Friend the Member for Medway (Mrs. Fenner) and my hon. Friend the Member for Gillingham (Mr. Couchman) will support me on that issue. However, in this I believe that my right hon. Friend the Member for Old Bexley and Sidcup and other hon. Members were correct: that there comes a time when re-cutting the cloth may provide a more fashionable garment, it also provides a very short garment. We must now try to close the gap between the proportion of gross domestic product spent on health by many of our overseas competitors and the proportion spent here. It is a great credit to the Government that we spend so much more than we used to spend, but we must spend more.

Finally, there is in the National Health Service, as there is in education or the social services, a real problem of presentation in public debate.

Mr. Tony Banks: The hon. Gentleman means that people do not believe him.

Mr. Rowe: I do not suppose that people would believe the hon. Member for Newham, North-West (Mr. Banks), whether he were speaking on his feet or from a sedentary position.

I expect that all hon. Members know of consultants who are on nine elevenths contracts but who put in fewer hours than that and use their juniors to cover for them. We all know of general practitioners who work perfunctorily or who issue certificates or prescriptions irresponsibly. We all know that there is no establishment more tightly knit or more protective of its powers of patronage than the medical establishment. Yet when Governments, as the Government have courageously begun to do, begin to move against these abuses, the robbery of the public —

Mr. Dobson: If the hon. Gentleman is so impressed by the Government's moves against fiddling by consultants, does he approve of the change in the consultants' contracts which used to give them a 10 per cent. bonus for working 100 per cent. of their time in the National Health Service but which now gives the same bonus for working only 90 per cent. of their time in the Health Service?

Mr. Rowe: I think that it is absurd to give anyone a bonus for honouring his contract.

When we try to do something about abuse, it is not the villains who are put up to scream foul. The exemplary consultants and model GPs, of whom there are many, appear in the media to castigate the Government for interfering with the Health Service. As a result, every time that a change is mooted or a check on malpractice is introduced, the most conscientious, caring and manifestly admirable medical team is put up to argue against the alteration. By a sleight of hand, of which the medics are becoming increasingly the masters, they turn the argument into one of a devoted Health Service profession fighting for its life against a crude, unfeeling Government. That is balderdash in most cases. That is an attempt to con the public that any attempt by the Government to break open cosy cabals of incompetence is an assault on patient care.

The Government's record with the Health Service shows that the service is safe in our hands. I also believe that a great deal more can be done. There should be more resources for the Health Service, but I want to ensure that

the increased resources do not go to bolster up Victorian distribution of resources when account should be taken of regions such as mine.

6.17 pm

Mr. David Young (Bolton, South-East): On 27 January 1981, I had an Adjournment debate in which the former Under-Secretary of State for Health and Social Security conceded the argument for the necessity of concentrating the acute facilities in Bolton on one hospital site. It was estimated that the first phase of the hospital should start in 1984-85. Since then, the programme has consistently slipped. On 5 April this year, the regional planning team and the Bolton district team argued that a start could be made in 1988. However, within weeks, the programme was again held back for 18 months.

I would like to describe that programme to the House. It is disgraceful for any Government to allow this state of affairs to continue. The programme involves the main base for acute treatment in Bolton. The programme called for 148 acute beds in phase 1. The hospital is based on an old poor law hospital, and much of the facility must be demolished before the new facility is built. Of the 148 beds requested, 54 will replace beds in wards that will have to be demolished.

It was hoped that, with that provision, the children's facility would be allocated on one site and that was extremely necessary. It was also argued that the positioning of the accident and emergency unit on the same site as the medical emergency unit would use nursing power and medical resources to the best effect.

At present there are no day beds on the main site. It was proposed that phase 1 should provide 17. It is an outstanding disgrace that there are no intensive care beds on the site of the main hospital in Bolton. Eight were to be provided under phase 1, which would still have been five fewer than the number required. Phase 1 also provided that, as six coronary care beds would be lost through demolition and other factors, eight such beds should be included. X-ray facilities are extemely important. Concern has been expressed by consultants and by the Health and Safety Executive about the facilities at Bolton. It is a disgrace that the chest X-ray machine dates from 1956 and cannot be maintained even by the manufacturers after December this year.

Those are some of the problems that we have faced as a result of the holding back of the new facilities. An increasing worry is the lack of confidence among medical staff about whether phase 1 will ever take place. Consultants are being encouraged to leave the authority area due to lack of resources and facilities. Under phase 1 it was hoped to locate the department dealing with AIDS in buildings now occupied by the Bolton Royal Infirmary. At present, it is accommodated in the basement of a building leased from the local authority. The incidence of AIDS is increasing, especially in inner-city areas, and we are lucky to have people of reputation dealing with it in Bolton, but how can we attract consultants of stature if we fail to plough in the resources needed to maintain this essential service?

The district authority told me this morning that, due to the 18-month delay on phase 1, necessary holding measures must include an ophthalmic theatre adjoining Kitchener ward at the royal infirmary at a cost of £80,000. That would normally have been encompassed in phase 1. The refurbishing of D block at Bolton general hospital covering four wards will cost £600,000. There is also a need to create a dental laboratory. Without this we shall lose royal college registrar status and the ability to take postgraduate students. The total cost of holding operations necessitated by the delay is between £830,000 and £1 million. That is not good bookkeeping, even for a Government and a regional authority who seem to put money before patients. The essential point is not the increased amount spent but the amount required to be spent to meet need. Human suffering and medical need cannot be categorised in terms of a balance sheet.

I challenge the Minister to come to Bolton with me and to meet the district health authority and the consultants. Let us have a little less talk in the House and a little more meeting of minds where it is required. I hope that the Minister and the regional authority will see fit to create a system in which those who allocated money to the National Health Service must say whether they are members of private health schemes, which seem to be milking the Health Service dry in Bolton and elsewhere.

We are asking for health for the people of Bolton. Year after year we have been bottom of the regional allocations list. To judge from the Black report, Bolton is the best place to go if you want an early death. We require health for our people. I issue an outright challenge to the Minister to come to Bolton and defend his policy with the people who have to use the hospitals there, many of which are out-dated, lacking in facilities and with departments divided between two sites. We thought that we had convinced the previous Health Minister — now Minister for Housing, Urban Affairs and Construction — but the Government's appointees on the regional health authority clearly regard Bolton and its people as of no consequence. I hope that the Minister will accept this request on behalf of my constituents. Incidentally, the people of Bolton also elected two Tory Members. It might be in those Members' interests if the Minister came to Bolton and showed that he was not content merely to view our problems from afar.

6.26 pm

Mr. Tony Favell (Stockport): The National Health Service involves three main interest groups. First, the Government — by courtesy of the taxpayer — provide the wherewithal. The second is the 1,250,000 people who are employed by the Health Service. Thirdly, and most important, there are the patients. We hear constantly from the Opposition about the crisis in the National Health Service, but for which of the three groups is there a crisis? We have heard from my right hon. Friend the Minister for Health that the vast majority of people — about nine tenths — are satisfied with the Health Service.

Mr. Tony Banks: Has the hon. Gentleman seen the advertisement on the front page of *The Guardian* today? It says:

"You may well be waiting months — even years — for non-urgent treatment under the National Health Service. Simply because it is over-stretched and can't cope with the demands made upon it."

That came from Health First, a private medical aid company.

Mr. Favell: I heard about that advertisement, although I did not read it. I have no doubt that my hon. Friend the Under-Secretary of State will deal with that. I shall have something to say about waiting lists in due course.

Some people are of course dissatisfied with the National Health Service, but they are very rarely

[Mr. Favell]

dissatisfied with the treatment that they receive. They are dissatisfied at having to wait for it. Waiting lists have been reduced since the Government came to power and since the winter of discontent, but there is still much to be done. More often that not, however, extra money is not the answer. There are wide variations in waiting lists between districts, often with identical resources. Why should that be? I shall return to that, too, later in my speech.

Mr. Banks: The hon. Gentleman does not have that long.

Mr. Favell: I have three or four minutes.

If the patients do not recognise a crisis in the National Health Service, is there a crisis for the Government? There will be a crisis for the Government if I hope that my right hon. Friend the Minister for Health is listening if we do not get our message right. We have a good message, and a good record since 1979. Even the Shadow Chancellor does not dispute that there are 58,000 more nurses, 10,000 more doctors and dentists, and 73,000 more in-patients and 3 million more out-patients being treated. That is all very good news. Moreover, spending has risen by one fifth since 1979.

Mr. Banks: Why does the Prime Minister go private, then?

Mr. Favell: I have mentioned the patients and the Government. What of the 1,250,000 employees? Are they satisfied? Clearly Mr. Victor Paige was not, because he resigned. Mr. Freddie Lucas, the central Birmingham district health authority general manager, resigned following his one and only report to his health authority because he had been rendered impotent by politically motivated pseudo-general managers. He listed a number of improvements which he wanted to make to the authority. He pointed out that there was an £80,000 taxi bill, that £52,000 was paid for 100 private telephone lines which bypassed the switchboards, that £500,000 was being spent on a sterile fluids production unit which had not been in use for two years, and that £5,500 was being spent on a mural. What was the result? He got the elbow.

Many people in the NHS are absolutely appalled by such reports. They want to see, not waste, but money put to good use. They realise that, when money is wasted, lives are lost. Mr. Lucas also pointed out that a private company, admittedly an American company, which had to operate at a profit could build a psychiatric hospital at almost exactly half the cost which the health authority could, and give identical service. Dedicated people in the NHS are appalled at that news. They want money to be directed to saving patients' lives.

It is a question not merely of spending more money, but of making better use of resources, and many people know that. Many people can contribute to saving resources. My hon. Friend the Member for Mid-Kent (Mr. Rowe) criticised consultants — and, indeed, many deserve criticism. They should examine exactly what they do. When they have a long waiting list, do they refer patients to colleagues who do not? Recently I came across two orthopaedic surgeons operating in the same district health authority, one of whom had a waiting list of almost a year and the other who had none whatever.

Mr. Alex Fletcher (Edinburgh, Central): There may be a reason for that.

Mr. Favell: There may be a reason, but the orthopaedic surgeon without a waiting list was highly popular with his patients, and highly unpopular with his colleagues.

Do consultants consider referring patients to other parts of the region which have shorter waiting lists, as they are entitled to do? People can even go to Scotland. As my hon. Friend the Member for Edinburgh, Central (Mr. Fletcher) knows, 25 per cent. more resources are available to the Scottish Office and the waiting lists are not so long in Scotland. Why should people not be referred there or to other parts of England?

General practitioners should ensure that patients are referred to consultants who do not have long waiting lists, and when consultants have long waiting lists they should consider how much time they spend on committees, how often they attend conferences and how often they deliver papers.

Are nursing sisters looking to see where savings can be made on wards? Do they find out whether there are empty beds? Are they ensuring that consultants make full use of the beds available, and that half of them are not standing empty? Do they ensure that nurses are not hanging around because consultants have not referred patients to beds as they should?

Last week I visited a kidney dialysis unit in Carmarthen which is operated by private enterprise. The patients there were highly delighted and the district health authority was also highly delighted because the number of kidney patients going without treatment in Wales has been reduced substantially since that unit opened. The Government should also be delighted because those patients are being treated at £12,000 a year each, whereas in the Yorkshire regional health authority, for example, it costs £16,320 a year each.

Mr. Tony Banks: Will the hon. Gentleman give way?

Mr. Favell: No. I must finish in just two minutes.

Why are those savings being achieved in the private sector and not in the NHS?

Mr. Tony Banks: The private sector does not have the same costs.

Mr. Favell: The reason is that the private sector minimises its administrative overheads and has flexible staffing patterns. The NHS should offer that sort of service. Then there would be no private sector to talk about and Opposition Members would have nothing to bleat about. Many people within the NHS, indeed the vast majority, wish to offer that sort of service. They know that saving money saves lives, as has been proved during the past two years by that wonderful kidney dialysis service introduced in Wales.

The NHS exists for patients. It does not exist for those who work in it, as is recognised by 999 out of each 1,000 people who work there.

6.34 pm

Mr. Laurie Pavitt (Brent, South): In the presence of the right hon. Member for Old Bexley and Sidcup (Mr. Heath), I should like to repeat what has been said on many occasions during his absence. On one historic occasion a voice below the Gangway said "Speak for Britain." The right hon. Gentleman need not have apologised for speaking about his constituency, because it reflected what is happening in almost all constituencies. The House is

grateful for his contribution which has been the most important in the debate so far. It epitomised the problem in all constituencies.

To apply a commercial bureaucratic mind to the NHS is crass stupidity and complete nonsense. Neither the Minister nor the Department realise that there are inter-relations between big city hospitals and others, between departments within hospitals, between medicine and surgery, and between community medicine and hospitals. The Department is compartmentalising each sector so that it is considered separately. As a result, all sectors, including teaching hospitals and their relationship with district general hospitals, are being eroded to such an extent that there is chaos on admissions.

The rationalisation that is going on applies to industry, but not to the NHS. If a department or a ward in a teaching hospital or if a geriatric hospital is closed in my constituency two are facing closure it has an immediate effect on other hospitals. In industry one can close down two factories, sack some workers, produce fewer goods and make a profit. The object in the NHS is not merely to save money. One can save money only at patients' expense. At present health authorities are, in effect, selling furniture to pay the rent.

I am eternally grateful to Westminster hospital because it excised cancers from my wife and from me. It is now under threat from the salami-slicing attitudes of this Administration. They do not close a hospital. A chunk of a hospital is closed and then another chunk is closed. Westminster has already lost ophthalmology. I envy the right hon. Member for Old Bexley and Sidcup, for when he was fighting for the Brook cardiac unit, I was fighting for cardiac surgery at Westminster. I wish that I had taken lessons from him, because he won and I lost. Cardiac surgery was closed to save £100,000 but it has not been saved. This year's figures show that that money has again been paid for Westminster patients treated elsewhere.

The radiotherapy and oncology departments are now threatened with closure. That is the biggest nonsense under the sun. If those departments are closed, the hospital will close because patient diagnosis, haematology, pathology, diagnostic X-ray, general cancer surgery, and the department of medicine and nursing will be affected. I plead with the Minister to save those departments, especially as a new computerised cancer machine, costing £1,200,000, has just been installed. The concrete roof alone cost thousands. If that department is closed, what will be done with it? Will it be sold for scrap? That would be complete nonsense in terms of managerial efficiency.

Outer city areas, such as Bexley, affect the teaching hospitals. Recently a patient from Bexley wanted emergency treatment. Thirteen London hospitals were asked to take the admission and the last one, St. Bartholomew's, was able to admit the case. There has been a rationalisation of acute beds, but, as acute beds are closed in one area, they must be provided elsewhere. If there are no beds, the big city hospitals must find beds for emergencies.

There is a shortage of nurses. A number of letters from Hammersmith hospital and elsewhere has shown that acute beds are unoccupied, because of the shortage not of money but of nurses. I am sorry that I do not have more time to devote to that subject. The Middlesex hospital is likely to lose its nursing school and Bart's has 32 places for students which will be unfilled this year.

I know that the Minister never pays attention to newspaper reports, but will he deny the existence of a bonus for managers who close hospitals? Will he deny that the bonus rate for regional managers is £1,660 a year 5 per cent. of their salary and for district managers £3,160 a year for closing hospitals? The Government may think that the NHS is safe in their hands, but I hope that when the Minister replies he will refute that and say that it is just newspaper talk. For the Government to pay a premium for shutting down the NHS is even bigger nonsense than most of the other things that they have been doing in recent years.

6.40 pm

Dr. John Marek (Wrexham): This has been an important debate, as has been evidenced by the number of hon. Members in the Chamber and by the number of those who have wanted to speak. I am sorry that several of my hon. Friends have been unable to make their important contributions to one of the vital aspects of the country's life.

I do not have much time, but I want to mention one or two points which have emerged from the debate.

Mr. Tony Banks: Take it all.

Dr. Marek: It would not be fair to take it all.

When the Minister replies, I would welcome it if he admitted that the 24 per cent. increase in money for the NHS is not what it seems and that there are differences between the NHS now and in 1979.

The Minister for Health said that we were getting older as a nation, that medical techniques were developing, and that just to stand still the NHS must have extra finance and resources. However, it is a great pity that the Minister did not continue that list and talk about the Clegg award. Five or six years ago the Labour Government were heavily criticised by the Conservative party for making resources available to the NHS in order to lift the morale of its workers. We were heavily criticised for setting up the Clegg pay review body, whose recommendations had to be implemented by the Conservative party in government. Five years later we hear nothing of that. The Government subsume those increases and take credit for them. The Government would never have implemented those recommendations if the previous Labour Administration had not organised them.

It is a great pity that the Minister said nothing about the huge increase in unemployment and the resulting extra sickness. I hope that next time he speaks he will put that right.

It is a pity that the Minister did not say that the medical retail prices index is much higher than the ordinary retail prices index. At certain parts in his speech the Minister talked in cash terms. A few months ago Government figures showed that hospital spending would rise by 6·7 per cent. this year when inflation would be only 4·5 per cent. The Government made great play of that. What had to be forced out of them was that half of that money had to be found by the health authorities themselves from greater efficiency in the use of resources. What type of arithmetic is that? The Government say that they are providing extra finance, but through the back door health authorities have to provide part of that finance from their own resources by extra efficiency and savings. If the Government challenge that, let the Minister say so when he replies so that it is on the record.

[Dr. Marek]

It is true that over the past year hospital waiting lists have gone down, but there was a huge increase between March 1982 and September 1982. I have a chart, which clearly cannot go into *Hansard*, but it shows that there was a sharp narrow plateau of high waiting lists during the winter of discontent — no one would want to get away from that — but since 1982 waiting lists have on average reached an unparalleled high level. *[Interruption.]* I have the figures here and hon. Members can see the plateau.

The hon. Member for Kingswood (Mr. Hayward) tried to pretend, using three selective figures, that waiting lists were low, but let us look at the figures. I quote from a pamphlet entitled "Health Expenditure in the UK," published by the Office of Health Economics. Let us look at the waiting lists per available bed for the years from 1975. I shall not be selective; I shall read them year by year. They are 1·4, 1·5, 1·5, 1·7, 1·8, 1·7 — that is in 1980, the first year of the Tory Administration — 1·7, 2·0, 1·9 and 2 for 1984. Those calculations show a high plateau in recent years.

What we can draw from that is that it is easy to prove one proposition or another with statistics. But the Government will never fool all the people all the time. My hon. Friends have given concrete examples of hospitals and wards that are closing and of patients who are being turfed out early. We have also heard that in responsible speeches from not one but many Conservative Members who are genuinely concerned about what is happening to the NHS.

If Ministers came down from their office blocks at the Elephant and Castle and went into hospitals and spoke to some of the people within the NHS, a different story might emerge. The Government stand condemned on their handling of the NHS not only by the House but by the public. I urge the House to pass the motion that has been tabled by my right hon. Friend the Leader of the Opposition.

6.46 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I start with two points of agreement with the hon. Member for Wrexham (Dr. Marek). First, it has been an important and interesting debate, and, secondly, it is important that Ministers with responsibility for health should visit hospitals. That is why I am glad that my right hon. Friend the Minister for Health and I spend so much of our time visiting hospitals. My average at the moment is about three hospitals a week. I would be surprised if what we have heard this afternoon suggests that Labour Members visit hospitals.

Certainly, we welcome the debate and I hope that the Opposition will continue to give up their Supply days so that we can have more debates on the NHS for the opportunity that that will give us to nail the lies that Labour Members trail around the country. I also welcome the opportunity that the debate gives for us to pay tribute yet again to those who recorded such an impressive list of achievements in the steady development and modernisation of our Health Service.

It is entirely natural that parties in opposition should attack the Government's stewardship in most, if not all, areas of our national life. That is the stuff of democratic politics. It might even be expected of the Social Democratic and Liberal parties, although it has been a particular feature of the debate that not for a second has a member of the Social Democratic party been present and no doubt that is something that they will explain to the electorate. But even for the Social Democratic and Liberal parties it has been more difficult to justify this sort of attack on an intellectual basis when their main, and, indeed, most would say their only, stock in trade since their existence has been to suggest that they have somehow discovered a magic elixir which lifts them above the mere sordid dogfight of party politics. However, the harsh realities have now broken in.

I understand the sensitivity of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) in the absence of his former hon. Friends, given the present state of relations. But now that they accept the realities of party politics, they can indulge in the sort of parliamentary politics that we have seen among Labour Members and attack the NHS. If those attacks are to have any validity, two requirements must be fulfilled. First, the Opposition must be able to show that the Health Service is in decline. This they have manifestly failed to do either in this debate or elsewhere, and they have been unable to do so because the Health Service is now treating far more patients more effectively than it has ever done before, with better funding and better management. Secondly, they would need to offer some evidence that they would be able to achieve greater progress should the Health Service ever again come under their control.

Their record when in government both for the conduct of the economy and of the Health Service — and I refer to the record of the Labour party and the record of those absent friends the hon. Members of the Social Democratic party who cannot escape their share of responsibility for the failures before 1979 — leaves no room for optimism. They would have to show that they have discovered policies which would create an even stronger economic recovery than has been achieved under this Government, and thus produce an economy which could divert still more resources than we are diverting to the National Health Service. For the Opposition to seek to make such claims would be an unusually sick joke even by the extraordinary standards of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) and his happy plans to increase public spending by no less than £24 billion.

My right hon. Friend the Minister has already effectively reminded us of the sorry record when Labour and the present Social Democrat leadership were last in office. Health expenditure then represented only 5·3 per cent of the national income, whereas now it is 6 per cent.

Mr. Kirkwood: The Minister has not yet answered a single question.

Mr. Whitney: The hon. Member for Roxburgh and Berwickshire spoke for 10 minutes demanding more expenditure and giving no answers. He spoke about the need to deal with AIDS and totally ignored our expenditure on that illness. Under the policies of the hon. Gentleman's colleagues in the Social Democratic party when it sustained the Labour party in office 5·3 per cent. of the national income was spent on health care. We are spending 6 per cent. on health care. If the hon. Gentleman does not think that 6 per cent. is enough, how much does he suggest should be spent and how much will his party

produce? The policies advocated by the Opposition parties would take us straight back down the inflationary spiral from which we have so painfully but successfully recovered, and they would destroy all hope of funding the National Health Service in the way in which, no doubt, all of us wish to see it funded.

Given such unconvincing Opposition parties, we must look for other and perhaps more substantial causes for the concern which undoubtedly exists among many people about the state of the National Health Service. Certainly there are pressures, most if not all of which are also being suffered by other countries. The acknowledgement of these pressures seemed to come as some surprise to the hon. Member for Wrexham. My right hon. Friend the Minister made a point which we consistently recognise: that an ageing population makes greatly increased calls on the medical services. There is also the pressure of medical advance with its new and costly techniques which are providing great improvements in patient care.

As services develop and expand, expectations and aspirations increase even faster, putting the Health Service under still more pressure. For example, total hip replacements in England increased from just over 18,000 in 1979 to 25,500 in 1984, and more elderly people now hope and expect to receive this treatment. Priority has been given to new treatments for life threatening diseases. For example, the number of patients receiving kidney treatment has risen from 5,400 in 1978 to over 11,000 in 1984 in the United Kingdom. Understandably, this creates new demands on doctors and patients alike and waiting lists grow for treatments which were simply not available a few years ago. Set against the overall decline in waiting lists, that is an impressive record.

Most of the pressures are to be welcomed as manifestations of a successful Health Service, but they have to be set against financial realities from which no one can escape. That is a proposition which Opposition parties often seem determined to ignore or not to comprehend. There are also the pressures of pay settlements in the NHS. Like other employers, the Health Service needs to ensure that the pay of its staff is sufficient and rewards hard work and merit. The pay of nurses has risen by a third above the rate of inflation since 1979. Like other employers, the NHS cannot cast aside the responsibility for funding settlements and give carte blanche to the negotiators. But we have this year provided a 6·7 per cent. increase in NHS funding, against an inflation rate which is now much less than half that, and have just announced a further £50 million to help with the impact of the review bodies' pay award for doctors, nurses and others.

Mr. Kirkwood: Will the Minister give way?

Mr. Whitney: I am sorry, I have no time.

Mr. Kirkwood: If the Minister will not answer me, perhaps he will reply to his right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath).

Mr. Whitney: If the hon. Member for Roxburgh and Berwickshire will allow me, I shall go on to speak about that. Problems about funding health services are not specific to the United Kingdom, but we do have specific problems about the cities. As my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) said, there are certainly problems, as my right hon. Friend the Minister for Health has recognised, in connection with the impact of the RAWP formula.

My right hon. Friend the Member for Old Bexley and Sidcup was unable to be in the Chamber during the speech of our hon. Friend the Member for Mid-Kent (Mr. Rowe) but I hope that he will consider the points that our hon. Friend made, because in the time available I shall not be able to go into those in detail. The points made by my hon. Friend the Member for Mid-Kent about the impact on the health services in the south-east Kent region are worthy of my right hon. Friend's consideration.

The Government have accepted the need for a review of the operation of RAWP within the general framework of RAWP principles, but it is important to understand that we must continue to apply discipline. I recognise that some of the features that have developed in Bexley are unfortunate, but some of them have been coming for two or three years and some of them can be attributed to a failure to come to grips with the problem. Bexley's record and the record of other health authorities on competitive tendering suggests that more could be done.

Mr. Heath: It is acknowledged in my hon. Friend's Department and outside that the services which I described in my constituency are way above the national average and have increased in efficiency. We are closing down the most modern facilities in the south of England. That is nonsense and what reason can my hon. Friend give for doing that?

Mr. Whitney: The services are constantly being improved.

Mr. Heath: They are being closed down.

Mr. Whitney: The resources are constantly increasing. My right hon. Friend the Member for Old Bexley and Sidcup should bear in mind the new facilities that are being created. If he does that, he will understand that Health Service resources are being wisely used. My right hon. Friend suggests that the 6·2 per cent. of GNP which we devote to Health Services should be increased to 8·5 per cent. That is the inference of what he said, and that would imply spending about £7 billion or £8 billion more.

Nothing that I or my right hon. Friend the Minister for Health have said should be misrepresented or misunderstood as an assertion that the Government are satisfied with the present state of the NHS. However, we take pride in the substantial real increases in resources that we have been able to devote and generate

Mr. Frank Haynes (Ashfield) *rose in his place, and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:

The House divided: Ayes 184, Noes 254.

Division No. 224] **[7. pm**

AYES

Abse, Leo	Beith, A. J.
Adams, Allen *(Paisley N)*	Bell, Stuart
Alton, David	Benn, Rt Hon Tony
Anderson, Donald	Bermingham, Gerald
Ashley, Rt Hon Jack	Bidwell, Sydney
Ashton, Joe	Blair, Anthony
Atkinson, N. *(Tottenham)*	Boothroyd, Miss Betty
Bagier, Gordon A. T.	Boyes, Roland
Banks, Tony *(Newham NW)*	Bray, Dr Jeremy
Barnett, Guy	Brown, Hugh D. *(Provan)*
Barron, Kevin	Brown, N. *(N'c'tle-u-Tyne E)*
Beckett, Mrs Margaret	Brown, R. *(N'c'tle-u-Tyne N)*

Bruce, Malcolm
Buchan, Norman
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
George, Bruce
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hughes, Dr Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
Owen, Rt Hon Dr David
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. John McWilliam and
Mr. Chris Smith.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Ancram, Michael
Arnold, Tom
Ashby, David
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Bendall, Vivian
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Brittan, Rt Hon Leon
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cope, John
Couchman, James
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Eyre, Sir Reginald
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hirst, Michael
Holland, Sir Philip *(Gedling)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Moynihan, Hon C.

Mudd, David
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Ottaway, Richard
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Pawsey, James
Percival, Rt Hon Sir Ian
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(Hertf'dshire N)*
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Francis Maude and
Mr. Michael Neubert.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

Mr. Deputy Speaker *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House commends the Government on the increased resources it has made available for the National Health Service; congratulates the dedicated Health Service staff for their improved performance in delivering high quality health care; reaffirms the principle of equality of access to health care underlying the Government's resource allocation policy; and endorses the Government's decision to review the Resource Allocation Working Party formula under which the allocation of revenue funds is determined.

Orders of the Day

European Communities (Amendment) Bill

Considered in Committee.

[Sir PAUL DEAN *in the Chair*]

7.13 pm

Mr. Teddy Taylor (Southend, East): On a point of order, Sir Paul. We appreciate that, as always, the Chair has selected the amendments with great care, but is there any chance of debating amendment No. 47? The section referred to is the only one that deals with the common agricultural policy, and under section 25 of the Act there is a requirement on the Commission to bring forward proposals for a major change of the various funds, including agriculture funds. As that is a major issue, and there is to be no debate on any aspect of the CAP, despite the fact that it accounts for 70 per cent. of EEC expenditure, could we discuss either amendment No. 17 tabled by the hon. Member for Walthamstow (Mr. Deakins) or amendment No. 47 tabled by me?

That would provide us with the only opportunity to make any reference to the CAP. As the proposal in article 23 of the Single European Act is fundamental, and instructs the Commission to make a major reappraisal of the CAP, a brief debate on that amendment would be helpful. I should make it clear that the amendments have been selected superbly. This is the only change that I would wish to make.

Mr. Tony Marlow (Northampton, North): Further to that point or order, Sir Paul. I do not know whether you had the good fortune yesterday, as I did, to watch the tail end of the farming programme on television, but it revealed that the prognosis for agriculture is very gloomy indeed. I must support my hon. Friend the Member for Southend, East (Mr. Taylor), because the farming community—and many of us have a lot of farms in our constituencies—would be somewhat outraged if this matter was not debated, as it is of great importance.

The Second Deputy Chairman of Ways and Means (Sir Paul Dean): I am sure that the Chairman of Ways and Means will wish to consider the points raised by the hon. Members for Northampton, North (Mr. Marlow) and for Southend, East (Mr. Taylor). However, their points refer to matters that may arise later, and it is fairly unlikely that we shall reach that stage today. Nevertheless, I give an assurance, without any commitment, that the issue that they have raised will be considered.

7.15 pm

Mr. Nigel Spearing (Newham, South): On a point of order, Sir Paul. I wish to raise a lengthier but important point of order regarding the long title and the potential selection of amendments thereto. I understand that the long title has four objectives: first, to add certain provisions in the Single European Act to the European Communities Act 1972; secondly, to extend the powers of the court; thirdly, to enlarge retrospectively the functions of the European Parliament; and, fourthly, to "approve the Single European Act". May I therefore assume that,

[Mr. Nigel Spearing]

apart from those objectives, the purpose of the Bill is to ratify the Single European Act treaty? Once Royal Assent is given, the House will be responsible for enacting any matter that is in the treaty but that is not being transferred into our domestic law by virtue of the Act.

If the purpose of the Bill is partly to endorse the totality of the Single European Act treaty, its scope encompasses anything that is directly relevant to the treaty. In Committee, we shall have to bear in mind whether anything has emerged after Second Reading that should change the minds of hon. Members on Third Reading. Whether one should vote in favour of giving the Bill a Third Reading thus depends on one's views on the merits of the treaty. The first article in the Single European Act treaty refers to the solemn declaration of European unity which was passed in Stuttgart in 1983. Indeed, that appears in the objectives of the preamble. Its terms do not appear directly anywhere in the treaty, although it is mentioned in the first article.However, when the Single European Bill was passed, Ministers put their signature to a decision at The Hague. Indeed, I think that the Minister of State was one of the signatories. It brought into effect another international treaty, known as the decision of the Ministers. That is printed in appendix B to the report of the Select Committee, published today. That international agreement runs parallel with the solemn declaration of European unity. Any comparison of the text will show that one gives effect to the other.

My hon. Friend the Member for Walthamstow (Mr. Deakins) tabled amendment No. 50 in order to add that decision treaty to the list of treaties covered by the European Communities Act 1972. Given the nature of that Act and the importance of the treaty that the Minister signed, one would have thought that it was highly relevant to the debate, as it is part and parcel of the execution of the legislation under discussion.

You have decided, Sir Paul, that the amendment should not be called at this stage. In view of the considerations that I have placed before you—I do not press my point too hard now—I ask you to examine what I have said. If my hon. Friend the Member for Walthamstow (Mr. Deakins) retables his amendment at another point in the Bill—perhaps at the end of clause 1, since it can sit at the end just as well as at the beginning—will you reconsider the selection of that amendment?

Mr. Robin Maxwell-Hyslop (Tiverton): Further to that point of order, Sir Paul. Since reference has been made to the Single European Act, may I inquire on a trivially simple point—is the Single European Act on the Table?

The Second Deputy Chairman: Yes, it is on the Table.

I am grateful to the hon. Member for Newham, South (Mr. Spearing) for giving me notice of his point of order so that I was able to consider it. I can assure him that when the First Deputy Chairman made his selection earlier in the day he considered the point and he was satisfied that amendment No. 50 was out of order because it is outside the scope of the Bill.

With regard to the hon. Gentleman's final point, if the hon. Member for Walthamstow (Mr. Deakins) cares to table an amendment, it will be considered carefully. Again, I shall be surprised if we reach that stage this evening.

Mr. Spearing: I am grateful for that answer, Sir Paul. Perhaps you can help me once more. The point of order that I raised was of considerable significance to the purpose of the Bill in approving the Single European Act. If you can confirm that that is one of the purposes of the Bill, because the Single European Act itself requires constitutional ratification by the relevant national organisations, surely anything which bears upon the merits of that Act, particularly its context, must be in order so that we can discuss the matter and thoroughly explore the merits of the treaty.

The Second Deputy Chairman: I shall not try to deal with a hypothetical case. If amendments are tabled, they will, of course, be considered by the Chairman in the normal way.

Mr. William Cash (Stafford): Further to the point of order, Sir Paul. The Foreign Affairs Select Committee report, which was published recently, states in paragraph 11:

"Questions relating to the scope of the Bill, and consequently the admissibility of amendments at Committee and Report stage, are of course matters for the Chair in Committee and in the House."

Am I right to infer that the reason for the non-selection of my amendment No. 48, which seeks to state

"Nothing in this Act . . . shall derogate from the sovereignty of the Parliament of the United Kingdom",

is that it is assumed that nothing in the Bill shall derogate from the sovereignty of the United Kingdom Parliament? Does the fact that my amendment was not selected mean that there is no question of that sovereignty being impaired?

The Second Deputy Chairman: The hon. Gentleman's amendment was not selected because it is outside the scope of the Bill and therefore out of order. I am sure that the hon. Gentleman will be able to use his ingenuity when we discuss other amendments which have been selected for debate to make some of the comments that he was hoping to make on that amendment.

Mr. Bowen Wells (Hertford and Stortford): Further to the points of order, Sir Paul. In view of your ruling on the point raised by the hon. Member for Newham, South (Mr. Spearing), will references to the preamble, which has been shown to be of great importance and relevance in interpreting the Act by the Foreign Affairs Select Committee report, be in order in relation to the amendments that have been selected?

The Second Deputy Chairman: We had better see how we go. The selection is generous and covers a wide range of issues. I shall listen carefully to the debate and I shall allow the hon. Gentleman and any other hon. Members to say anything which is in order.

Mr. Marlow: Further to the point of of order, Sir Paul. I hope that my point of order will accelerate our business. The House of Lords has said that the power of the United Kingdom Parliament will be weakened by the Single European Act. It is referred to as the "Final Act". Some of my hon. Friends are worried that it might be the final solution to the powers of this Parliament. There is one possible safeguard—the Luxumbourg compromise, or the right of Her Majesty's Ministers, supported by this Parliament, to veto matters outside the interests of the United Kingdom and on fundamental issues of national interest. We are not sure where we stand with the veto.

The House of Lords Select Committee report believes that the Luxembourg compromise is not likely to be

affected under the terms of the Single European Act. My right hon. Friend the Prime Minister believes that it will be, and the Minister believes that the Luxembourg compromise is unchanged by the Act.

If we were persuaded by a statement from the Minister that the Luxembourg compromise was still healthy and hearty and could be used by Her Majesty's Government, it would make it much easier when considering later amendments to allay the concern felt by many hon. Members.

The Second Deputy Chairman: The hon. Member for Northampton, North (Mr. Marlow) has already answered his own question. He said that he hoped that the Minister would be able to enlighten him. It is a matter for debate, not a matter of order for the Chair.

Mr. Marlow: Further to that point of order, Sir Paul. I am suggesting that the Luxembourg compromise would apply throughout. I do not know when the Minister will make her remarks, but she certainly will not make them before the debate has begun and perhaps not until we reach the third or fourth group of amendments, because she might believe her remarks to be more apposite later. If the House could have the benefit of her remarks and the opportunity for cross-examination at an early stage, many of the points that right hon. and hon. Members might like to make would be no longer necessary.

The Second Deputy Chairman: This is a matter for the Minister, not for me.

Mr. Eric Deakins (Walthamstow): I have three separate points of order. I have given notice to the Chairman of Ways and Means of a point of order which I shall seek to make later, since it does not relate to the first group of amendments. I shall also wish to raise a point of order when we come to the second group of amendments. I shall not go into detail now but I shall wait until the appropriate time.

I reinforce the point of order raised by the hon. Member for Southend, East (Mr. Taylor) about the need for an opportunity to debate article 23 of the Single European Act, which allows reference to the common agricultural policy and the structural fund. I realise that this matter is to be considered later, but it is important.

I accept the Chair's wisdom and discretion in the selection of amendments. Some of the amendments relate to the declarations which are part of the Final Act but not part of the Single European Act. I am aware that the Single European Act is covered by the long title and that the Final Act is not. Some of the declarations are linked with clauses in the Single European Act. If we were to pass the Single European Act without the declarations, it would be like having a dog and leaving the tail behind. A dog without a tail is not a pleasant sight.

If we did not embody in British law those declarations which are directly relevant and legally linked to articles in the Single European Act, we should do ourselves a disservice and an injustice. I shall give one example. On page 24 of the Single European Act it is stated:

"At the time of signing this text, the Conference"—

that is, the conference of Heads of Government—

"adopted the declarations listed hereinafter and annexed to this Final Act."

Declaration No. 4 applies to article 100A of the EEC treaty. That declaration reads:

"In its proposals pursuant to Article 100A the Commission"—

that is, the EEC Commission—

"shall give precedence to the use of the instrument of a directive if harmonization involves the amendment of legislative provisions in one or more Member States."

That is a clear statement of the way in which the Community is proposing to proceed on a matter which will affect the law of Britain if the Single European Act is passed as a result of the Bill.

I therefore put it to you, Sir Paul, that this matter should be considered again. I entirely appreciate that the declarations are not part of the Act and are not, therefore, prima facie covered by the long title. However, in view of the peculiar nature of this Single European Act and the fact that it is a dog with a tail that is outside it, I hope that further consideration will be given to that point.

7.30 pm

The Second Deputy Chairman: I gladly assure the hon. Gentleman, although without any commitment, that I am prepared to ensure that the points that he has raised are fully considered.

I now propose to call amendment No. 1, with which are grouped amendments Nos. 4 and 38 and the Question that clause 2 stand part.

Mr. J. Enoch Powell (South Down): On a point of order, Sir Paul. You have indicated that the Question that clause 2 stand part is to be taken with the Questions on the other amendments that you mentioned by number. It is always unwise, Sir, to chance one's arm and say that any particular matter is unprecedented, but I think that I would be within the knowledge of the House in saying that it is unusual for the Chair to indicate in advance its intention not to allow a separate debate upon the Question that a clause stand part of a Bill.

I appreciate that the Chair has unrestricted discretion to do that, and to do so without cause shown, but I submit that the Chair decides that after having heard the debate, and only when satisfied as a result of that debate that it would be superfluous to debate the Question that a certain clause stand part. I hope, Sir Paul, that you will suspend judgment on the Question that clause 2 stand part until you or other incombents of the Chair have had the opportunity to hear the debate upon the other amendments. There is another Question that it might be convenient to put now, which relates to the grouping of amendment No. 4 with amendments Nos. 1 and 38. I submit that the subject matter of amendment No. 4, although concerned, like the other amendments, with the proposed new courts of justice, is essentially different in that amendment No. 4 creates a power of delegated legislation in the Council of Ministers. Perhaps more accurately, it creates a power of delegated treaty-making in the Council of Ministers. That is a matter of principle that is separate from the decision whether one or more additional courts should be set up under the provisions to which amendments Nos. 1 and 38 relate.

I submit that it would be advantageous and for the convenience of the Committee if it were permissible to take amendment No. 4 separately from the other amendments with which it is your proposal to group it.

The Second Deputy Chairman: I am grateful to the right hon. Gentleman for giving me notice of his point of order, which has enabled me to consider the matter.

As the right hon. Gentleman said, there is a connection between all the groupings, and having reconsidered the

[The Second Deputy Chairman]

matter I am not prepared to alter the selection. Of course, when we reach the appropriate time, if he wishes to have a separate vote on amendment No. 4 that will be sympathetically considered.

With regard to clause stand part, I fully understand the right hon. Gentleman's point. If it appears to the Chair that there has not been adequate debate on all the matters that come within clause 2, the position will certainly be reconsidered at the appropriate time.

Mr. Spearing: Further to that point of order, Sir Paul. The complexities of this point are considerable because, as I understand it, the base statute is the European Communities Act 1972 and the amending legislation is clause 2 of the Bill that we are discussing, which puts into effect at least one, two or even three parts of the Single European Act. In fact, the jurisdiction of the court to which the right hon. Member for South Down (Mr. Powell) referred rests on no fewer than three principal pieces of treaty and primary legislation.

We may well have an exhaustive debate—although I hope not exhausting—on the principle of the court, but in the ensuing debates on the remainder of clause 1, and before we reach clause 2 stand part, issues may arise relating to the suitability and competence—even the wisdom—of the court in dealing with some of the issues that arise in that debate between now and then.

When we reach clause 2 stand part, I hope that it will be possible to put to you, Sir Paul, the possibility of having another, shorter debate on the points that have arisen, rather than having a straight vote in the order of sequence of events. I hope that I can have your assurance on that.

The Second Deputy Chairman: I thought that I had made it clear in answer to the right hon. Member for South Down (Mr. Powell) that we can consider that point. Without giving any commitment, I can say that the Chair will be prepared to consider that matter when we reach the appropriate stage.

Mr. Maxwell-Hyslop: On a point of order, Sir Paul. Am I interpreting correctly the notice in the name of the First Deputy Chairman of Ways and Means, who has made specific mention of clause stand part only when it is taken in conjunction with amendments? In the provisional selection list there is no mention of a debate and vote on clause 3 stand part. That cannot possibly mean, can it, Sir Paul, that there will not be a debate and vote—I raise this point for the elucidation of the House—because it is not being taken in conjunction with any amendment, and so does not appear on the list? It is not the intention to go against the normal rules of Committee stage and not have a debate and vote, is it?

The Second Deputy Chairman: I can assure the hon. Gentleman and the Committee on that point. The only reason that clause 2 stand part appears on the selection list is that it was thought proper for it to be debated with other amendments. Of course, as the Committee well knows, the usual procedure is that, assuming that all the matters on a certain clause have not been discussed on the amendments, a debate is allowed on clause stand part.

Mr. Maxwell-Hyslop: I am most obliged, Sir Paul.

Mr. Marlow: On a point of order, Sir Paul. Perhaps you could help me in anticipation. I notice that the second group of amendments has amendments to do with clause 1 and clause 3. Were you telling my hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop) that there would be a debate on clause 1 stand part, that there would be a debate on clause 3 stand part and even, perhaps, on clause 4 stand part? Can you say at what stage those debates will take place?

The Second Deputy Chairman: I cannot guarantee that; it will depend on the course of the debate. When we have disposed of the amendments relating to a clause, the Chair then has to decide whether the whole of that clause has been fully aired and discussed. I cannot anticipate the decision of the Chair; we must wait until we reach that stage.

Mr. Dealkins: Further to that point of order, Sir Paul. It is an important point about clause 3, although I do not wish to raise it now because it does not arise until we reach the second grouping of amendments. However, on the more general principle, may I strongly emphasise that the amendments to clause 3, such as they are—there are about half a dozen, some of which are in my name—do not exhaust the possibilities of clause 3 and its serious implications for this House and the people of this country?

If one were not certain that there was to be a debate on clause 3 stand part, hon. Members—myself included—might be tempted to make rather lengthier speeches on the individual amendments on the basis that otherwise we would be deprived of the opportunity to make the general points of principle that do not arise on specific amendments.

The Second Deputy Chairman: I cannot anticipate that, as I am sure the hon. Gentleman realises. I understand what he is saying and when we have dealt with the amendments to clause 3, the Chair will consider sympathetically a request for a clause stand part debate. I think that he will appreciate that I cannot go further than that at this stage.

Mr. George Robertson (Hamilton): On a point of order, Sir Paul. May I ask you two questions? I appreciate that the European Single Act encompasses many amendments to the treaty of Rome and to other treaties of the European Communities, but can we take it that these amendments are tabled for the purposes of the debate? Secondly, the Government have published a document which is of considerable relevance to the debate on the entire subject with which we are concerned this evening. They have produced a strategy document on behalf of themselves and the Governments of Ireland and Italy. This has been given some exposure in the press and apparently it outlines the Government's objectives during the presidency of the European Council, which Britain will take over in two weeks' time. That will be a subject of considerable substance during the debate on the Single Act.

Despite the fact that the document has been given press coverage, no copy of it has been deposited in the Library, nor is it available in the Vote Office. How are Members to assess the position of the European Council if we do not have available a document of such importance? As I understand it, it outlines the Government's major strategy during their presidency of the Council of Ministers. Can you help the Committee on whether the document can be made available before we start our consideration of the Bill?

The Second Deputy Chairman: I shall make inquiries about the document to which the hon. Gentleman referred. I remind the Committee that we are debating the Bill and the amendments to it. It will be much easier to judge what is in order and how we should proceed if we start the debate. It is a complicated Bill and there is a complicated series of amendments. I think that it will be appreciated that it would be most unwise of me to try to make judgments on hypothetical cases. Let us see how we get on.

Mr. Ian Gow (Eastbourne): On a point of order, Sir Paul. There is no one in the Chamber who can match the length of service of that of the right hon. Member for South Down (Mr. Powell), but I ask you to assist the Committee further on the selection. In my short time in the House of Commons, I have never seen a selection by the Chair that states that certain amendments shall be discussed with a particular clause standing part of the Bill. I have never seen a selection which suggests that there should be a stand part debate in advance of the Committee considering the clause in question. Is it a precedent that the Chair shall decide that there will be a clause stand part debate before the Committee has engaged in debate on the amendments that are before it?

If I understand the selection which has been made of the groups of amendments, it is that the Committee is to consider whether clause 2 should stand part of the Bill before any possible debate, which would be in your discretion, Sir Paul, on whether clause 1 should stand part of the Bill.

The Second Deputy Chairman: I believe that there are precedents for the selection including a clause stand part debate. Its presence in the selection is intended merely to convey to the Committee that there is a strong connection between amendment No. 1 and clause 2. It is intended to guide and assist the Committee on the course of the first debate. I repeat my assurance that the fact that the clause stand part debate is grouped with the first batch of amendments will not prejudice the possibility, at the appropriate time, of a debate on whether clause 2 should stand part of the Bill, if the Chair judges that all the matters directly relevant to clause 2 have not been considered fully.

Mr. Gow: Further to that point of order, Sir Paul. I am most grateful for your ruling, but it may have occurred to you during these points of order that, although the inclusion in the first group of amendments of a clause stand part debate was intended to assist the Committee, it has resulted in some confusion.

7.45 pm

The Second Deputy Chairman: If that is so, I apologise to the hon. Gentleman and to the Committee. I hope that I have clarified the position. The inclusion of the clause stand part debate in the first group of amendments was intended to be helpful to the Committee. There is a direct connection between amendment No. 1 and clause 2. As I have said, a further discussion on whether clause 2 should stand part of the Bill will not be prejudiced if that appears to be appropriate at the appropriate time.

Mr. Roger Moate (Faversham): Further to that point of order, Sir Paul. I am sure that the Committee has been completely reassured by your statement. I am sure also that no one doubts that you will not allow the Committee to miss an opportunity of having the fullest possible debate on whether clause 2 should stand part of the Bill and on the amendments. The concern of some of us is whether this procedure is creating a precedent. Surely it is unusual on a paper described as the provisional selection of amendments to incorporate a clause 2 stand part debate. You have said, Sir Paul, that this procedure is well precedented, but many of us would find it hard to remember when it was previously done. It would be a matter of general concern if a procedure were adopted — one intended undoubtedly to assist the Committee — and it were seen as a precedent that could be more widely used by other Chairmen in other circumstances, who might be less generous and concerned for the fullest possible debate than you are, Sir Paul.

I should like to know whether it is normal procedure to include a clause stand part debate with a list of amendments. If it is precedented, can we establish clearly that it is not expected to be a normal procedure that is to be widely adopted, which might cause great concern?

The Second Deputy Chairman: Each Bill is considered as a Bill. As I have said, there are precedents for a selection of this sort. I have made it clear more than once that the selection will not prejudice the Committee by denying it the opportunity of debating whether clause 2 should stand part of the Bill if, when we reach that stage, such a debate appears to be appropriate. I think that we should get on with the amendments.

Clause 1

Extended meaning of "the Treaties" and "the Community Treaties"

Mr. Teddy Taylor: I beg to move amendment No. 1, in page 1, line 13, after 'Communities)', insert
'but not Article 4 of Chapter 1 thereof'.

The Second Deputy Chairman: With this it will be convenient to take the following: Amendment No. 4, in page 1, line 13, after 'Communities)', insert
'but not Article 12 thereof'.

Amendment No. 38, in clause 2, page 2, line 7, leave out 'any' and insert 'the'.

Clause 2 stand part.

Mr. Taylor: I am grateful to you, Sir Paul, for selecting the amendment. When hon. Members read it and what is obviously a vital Bill, they will wonder why they are bothering to discuss the amendment at all. The amendment addresses itself only to whether a new proposal in the Single European Act to set up some new courts in addition to the European Court of Justice should be incorporated in the European Communities Act 1972. It must be abundantly obvious to those who have read the amendment and the Bill that whether or not we incorporate such an amendment in British law will not make much difference. If something incorporated in European law is not incorporated in British law, it can still be upheld in the British courts as though it were incorporated in British law. It is sad that what will happen to this amendment will happen to all the other amendments.

We cannot amend the treaty, which has been signed on our behalf. It is open to us to reject it, and if we took that course we should have to wait and see what happened. I understand that, even if the House of Commons voted

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against the treaty, it would still be relevant and legally binding. That makes many of us wonder whether we have any rights whatsoever to scrutinise, debate and examine in detail any aspects of the important constitutional matter that is before us. That is disturbing.

Mr. Marlow: My hon. Friend is an expert on such matters. Surely he is aware that the institution of the treaty depends on ratification by all sovereign Parliaments in the Community.

Mr. Taylor: I accept that that is the pivot of ratification. I think that my hon. Friend, who is also knowledgeable on such matters, has established that laws which have been pressed by the Community in accordance with various provisions are implemented in national states irrespective of members' views. The point I am trying to make is that there is no way we can seek to amend the Act. There is no way we can take out one part and insert another. If the amendment secures nothing else, it will get across to hon. Members the simple fact that on this vital and important issue our powers of scrutiny and of amendment are virtually non-existent.

Mr. Spearing: Perhaps we can get straight a point I raised earlier on a point of order. Article 33 of the Single European Act treaty — I always call it that because it might get confused with a British Act of Parliament — states:

"1. This Act will be ratified by the High Contracting Parties in accordance with their respective constitutional requirements."

As I understand it, because of the peculiarly unwritten constitution of this country and the royal prerogative which the Minister of State signed — I do not know whether it was proper for her to do so as she is not a Privy Councillor — all the Committee is doing now is ratifying the Bill holus-bolus with amendment. The Government have said that the Bill, when it becomes law, will ratify the treaty. The hon. Gentleman is quite right in saying that we cannot amend the Act.

Mr. Taylor: I am trying to put across to hon. Members — I hope that they and the public appreciate it — that we can amend Acts on water charges, taxation, the rights of mothers to allowances, nitrates and water supplies, and so on. Our constituents can write to us and suggest changes; we can have meetings with Ministers; and we can put forward ideas and get things changed. Otherwise, our duty as Members of Parliament would be quite irrelevant. We would be wasting our time. We are dealing with a major Act which enormously changes Britain's rights and the rights of the British people, but there is no way in which we can amend one part or clause of it. We cannot take out a comma. There is nothing we can do, except reject it at the end of the day. I hope that people will appreciate, when we consider Common Market legislation and the form of such treaties, that Members of Parliament can do nothing, apart from saying no to the whole package.

It is appalling that we did not take part in discussions on what should be included in the treaty and what powers Britain should surrender to the Common Market. We have no power at all. If the Committee stage achieves anything, it will get across to the British people the simple fact that on such matters of detail Members of Parliament have no powers whatsoever.

Mr. Cash: Does my hon. Friend agree that there is a great responsibility on the media in this country to take note that this is a game not of draughts, but of chess. It may be a glazed-eye subject for some, but it is a matter of the greatest possible importance to our economic and industrial future. It would be helpful if they took it seriously and commented on it.

Mr. Taylor: I agree with my hon. Friend. There are signs that the British people are beginning to wake up to it. We have seen correspondence in *The Times* on what most newspapers regard as a dead subject. That comment has been helpful. Views have been expressed. People have said to me and to others, "Is that really true?". My hon. Friend had a superb article published in *The Times* this morning. It is quite clear that people are just beginning to wake up to the realities of the position.

Many other issues must be discussed. Sadly, all we can decide is whether the reference to a new European court should be put in British law. Obviously, it does not matter all that much. However, because of the kindness of the Chairman's selection and the way in which the short title has been drafted, we have the opportunity to ask the Government certain questions about the Bill. We have the right to make an amendment which would have strange consequences for the treaty. I hope that we can get across the basic point that my hon. Friend has rightly pressed. There is no doubt that the amendment will make people realise that there is a need to change the way in which important decisions are taken.

Some people say, "It does not matter very much. We are moving, step by step, towards the great European federation. It is going to happen anyway, and there is nothing much we can do about it." The British people are entitled to know where they are going and what is involved. I doubt whether Mr. Average in Britain knows what the Bill will do for him, for his rights and for the rights of his Member of Parliament to look after his interests.

The Bill proposes a new and additional European court of justice. We already have a court. The European Court of Justice was originally designed to interpret the treaty of Rome. Most people felt that that would be a basic and limited task. However, like all outside courts, once the court was set up its powers were extended enormously by its own decisions. Because of the volume of work, additional courts have been set up to deal with points of law and matters of first instance which are explained in the Single European Act.

One of the reasons for extending and creating a new court is to deal with additional work. The Act itself will impose a great deal of additional work on the court. *[Interruption.]* The Minister is shaking her head. Perhaps she means that the answer is no. She will save a great deal of time if she answers the question. A clause in the Single European Act places an obligation on member states to harmonise VAT, excise duties, and so on. In other words, we must harmonise, for the purposes of the completion of the Market, our rates of VAT and excise duty.

Mr. Maxwell-Hyslop: Is it not a matter of harmonising not only rates but applicability?

Mr. Taylor: I was astonished, when I read a written answer, to ascertain that every Common Market country except Britain levies VAT on gas. Every Common Market country except Britain levies VAT on electricity. Every

member state, except two, including Britain, puts VAT on food. If we harmonise on VAT, the people of Britain will have to pay VAT on gas, electricity and food.

When we have raised the question with the Government they have said, "Do not bother about that, because that is one of the few areas where we still have unanimity and limited power of veto." */Interruption./* The Minister is moving her head up and down. I think she means that the answer to that question is yes. It will save a great deal of time if the Minister answers whether, once the measure goes into the Single European Act and becomes part of the treaty, it is likely that the Commission, if it felt that our interpretation of harmonisation was not in accordance with the terms of the Single European Act, will initiate proceedings in the European Court and say, "Britain is not harmonising as we think it should in terms of the Single European Act". Is that possible?

The Minister has nodded twice. I shall give her the opportunity to say yes or no. Earlier I asked whether the court would be faced with additional work. Will the court be able to consider an application from the Commission that Britain is not harmonising? The Minister will save a great deal of time if she stands up and says, "No, it could not." I do not see any response from the Minister. She is not nodding her head sideways or up and down. She is looking straight ahead.

Therefore, I must consider that there is some doubt about the issue. My reading of it is absolutely clear. When the Bill becomes law, an enormous additional burden will be placed on the European Court, because it will have to consider applications to the Commission about whether member states are implementing various provisions. The harmonisation of VAT is only one.

8 pm

Mr. Marlow: No doubt my hon. Friend is aware of proposed article 99 under article 17 of the Single European Act. Referring to

"the harmonisation of legislation concerning turnover taxes, excise duties and other forms of indirect taxation,"

it states:

"The Council shall, acting unanimously".

Surely, if my hon. Friend the Minister of State were on the Council and her view was such that the Council was not unanimous, that should be the end of the matter. We should not, therefore, be confronted with a threat by the European Council.

Mr. Taylor: It was my understanding, on the basis of the Government's assurances, that that was the position. Having taken the best legal advice available to me, my reading of the treaty is that, if there was not unanimity and if Britain were out of step and the Commission took the view that Britain had not harmonised to the extent it thought was justified—even though our Chancellor or Prime Minister believed that we were doing as much as we should—the Commission could take us to the European Court.

Mr. Spearing: In raising the question of the jurisdiction of the court, the hon. Gentleman has perhaps ensured that the Minister gives us an answer to a question which will certainly arise later. My understanding is that directives passed in 1978, which related not to the Common Market but to the enforced harmonisation of VAT, would circumvent this provision, even if the Ministers were unanimous. If a case were taken to the European Court under those provisions, which were made many years ago, we would be told that we would have to harmonise. That is what the Government have been doing in the past few years on alcohol taxes.

Mr. Taylor: The hon. Gentleman has raised a slightly different issue. He referred to the obligation of Ministers to act in that way. My argument is that, even if we did not agree and used our veto, the court would have the additional work of interpreting all these articles in the Single European Act. The Commission, or, so far as I understand it, the Leader of the Opposition, could take us to the European Court, saying that we were not truly implementing the various provisions of that legislation.

Mr. Ron Leighton (Newham, North-East): Does the hon. Gentleman recall the evidence given to the House of Lords Select Committee by the right hon. and learned Member for Dover (Mr. Rees)? He said that the harmonisation of VAT on take-away food had proved politically sensitive and that the Council of Ministers might not be a good institution to obtain that harmonisation. The right hon. and learned Gentleman suggested that the European Court would provide a far better vehicle. He gave the example of the infraction proceedings taken against the United Kingdom over the alcohol taxes. He explained that that was why Britain had held down the increase in duty on wine and increased the duty on beer. He said that, if there were a general principle in the basic EEC treaty, which there was, and the court were prepared to hand down judgments, as it was, that would be the best engine of progress for the harmonisation of VAT.

Mr. Taylor: We shall debate harmonisation of VAT later. My point concerns not harmonisation but the fact that the court interprets the treaty of Rome as it is now. Under this measure it will have extra points to interpret, and the Commission will be able to take action to force the United Kingdom to do things that this Parliament might not want it to do.

In some instances, we have the protection of veto on policy decisions, but we do not have that right on matters that are incorporated in the treaty of Rome.

Mr. Cash: Does my hon. Friend agree that the law to which he refers is given legal force in the United Kingdom by section 2 of the European Communities Act 1972 and therefore has precedence over prior British law under the tag lex posterior derogat priori, which in effect means "If you do not do what we tell you to do, you will get a kick in the behind"?

Mr. Taylor: Yes. These Common Market debates used to be attended by one or two hon. Members who were obsessed about the subject. I welcome the fact that hon. Members with legal knowledge and experience, such as my hon. Friend the Member for Stafford (Mr. Cash), are waking up to the fact that something damaging and dangerous is happening. That is an encouraging sign. Those who read the splendid evidence by the chairman of GEC to the House of Lords Select Committee will appreciate that people in business and commerce are beginning to say, "Wait a minute. What is happening to our democracy and our rights as a nation?"

Will not this extra court have the job of interpreting additions to the treaty?

Mr. Nicholas Budgen (Wolverhampton, South-West): Will my hon. Friend warn the business community that the courts in the EEC take a view about their powers that is very much wider than that taken by British courts? European courts often not only take into account what the mere statute or directive says but give it a gloss saying what they believe the EEC's policy is or should be.

Mr. Taylor: My hon. Friend is right. People must appreciate that European courts differ totally from British courts. Our courts consider the law as it is. I refer, for example, to the recent case decided by the European Court on a matter relating to British Customs and Excise. Customs and Excise was adamant that it had taken certain powers in stopping the import of various goods. Customs and Excise went to the European Court confident that it could not lose, but it did.

As my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) said, European courts take a different view from British courts. I shall give details of what was regarded by some as a flippant matter, although not by those who are concerned with the moral character of our nation. Customs and Excise took it upon itself to ban the import from Germany of rubber inflatable dolls used for purposes of sexual gratification. It took the view that it was entitled so to do.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Entitled so to do what?

Mr. Taylor: It took the view that it was entitled to block the import of those rubber inflatable dolls into the United Kingdom. A British company, Cohengate, took Customs and Excise to the European Court of Justice, which deliberated in great detail upon this matter. It decided that Customs and Excise had no such right. These dolls are now being imported.

Mr. Deakins: Surely there is a provision in the treaty of Rome, from way back in 1957, that a free market in goods does not take away from national Governments the right to prohibit imports on the grounds of "moral welfare" or some such words; I cannot remember the particular provision. Is the hon. Gentleman saying that the court went against the spirit of that provision?

Mr. Taylor: It did not go against the spirit of the provision. The court said, "Customs and Excise has stopped these goods entering the United Kingdom through the provisions of the Obscene Publications Act. Although we accept that Customs and Excise based its judgment on what applied in the United Kingdom, the British obscene publications law is unclear. It refers merely to goods that are regarded as "offensive". It is not specific. Britain does not have a specific law that bans the manufacture or sale of those goods.

Mr. John Butterfill (Bournemouth, West): Were not those articles manufactured and on sale in the United Kingdom? Therefore, the court's ruling was that, until their manufacture or sale were banned in this country, it would be unreasonable to ban their importation.

Mr. Taylor: Indeed, I shall come to that point. I have a letter from the Solicitor-General which explains the matter in detail. I understand that it was nothing to do with manufacture in Britain. The court said that Britain did not have a specific law that prohibited the manufacture of that specified item. It had only the rather loosely worded Obscene Publications Act. The court said, "Unless you have a specific law that prevents the manufacture or sale of these items, it is wrong to prohibit their import."

I do not believe that people are fully aware that the European Court, which was set up to interpret the treaty of Rome — to determine what was right and wrong in that important treaty — is concerning itself with matters such as rubber inflatable dolls. That is only one of a series of examples which I could give in a wide area. The Minister will accept that the courts, like the other courts, have extended their jurisdiction because, as my hon. Friend the Member for Stafford rightly said, they do not take the same view of the law as do the British courts.

Mr. Budgen: It is also because they refer to the treaty of Rome. The treaty does not give specific instances of what may be done in relation to rubber dolls; it speaks in terms of general principles. I could say for the sake of argument that the importation of rubber dolls is necessary to enhance free trade in the Community. It is almost impossible to anticipate the nature of any decision because the judges usually refer to wide but conflicting principles. They then take what is essentially a political decision in deciding which of those principles they prefer in the circumstances of a given case.

Mr. Taylor: I have no reason to try to trivialise the discussion. I shall mention one example which my hon. Friend may regard as most significant. Many of us will have received deputations at our surgeries recently

Sir Russell Johnston (Inverness, Nairn and Lochaber): Before the hon. Gentleman leaves that point, may I suggest that it is slightly bizarre that he should criticise the law on the continent or in other parts of Europe as being "different" from British law, when it is generally recognised that Scottish and continental law, being based on Roman law, has great similarities. The hon. Gentleman may have noted that when he represented Glasgow, Cathcart.

Mr. Taylor: I do not wish to become involved in Scottish law and English law. I am trying to develop an important point of principle. I hope that the hon. Gentleman, who is always obsessively putting forward the merits of the Community, will at least accept that this is a valid point — and a point which his constituents in Inverness should be as worried about as my constituents in Southend.

Mr. Budgen: The hon. Gentleman raises a good point. Allowing the Scottish legal system to continue was a recognition that the two traditions were different and that they could not be satisfactorily mixed. The recognition of the separate tradition of the Scots was necessary. It would be much better if we could honestly recognise differences rather than fiddle and fudge along, as we do at present in relation to the EEC, pretending that their system is the same as ours.

The Second Deputy Chairman: Order. We must get back to the amendment. The hon. Gentleman is spending much time discussing the merits or demerits of the existing courts. I remind him that this amendment deals with new powers and new courts. I hope that he will come to that.

Mr. Budgen: On a point of order, Sir Paul. Is it not necessary to discuss the law in the existing courts in the

EEC before the House can decide whether it is wise to extend those courts and to extend the jurisdiction of that law?

The Second Deputy Chairman: I am prepared to allow some discussion on that, but it would not be in order to discuss at length and in detail the merits or demerits of the existing court. Mr. Teddy Taylor.

Mr. Taylor *rose*

Mr. Marlow: I am afraid that my hon. Friend seems to be seeing everything in an unfortunate vein. Everything seems to be against us today. My hon. Friend is rightly concerned with the moral aspects as a father of young children. If he looks at the back of the Single European Act, he will find under the general declaration of articles 13 to 19 of the Single European Act the following statement:

"Nothing in these provisions shall affect the right of Member States to take such measures as they consider necessary for the purpose of controlling immigration from third countries, and to combat terrorism, crime, the traffic in drugs and illicit trading in works of art and antiques."

If Her Majesty's Government were to make it a crime to trade in those commodities, the existing court, and perhaps the amended court, would have to prevent their import into the United Kingdom, because it would be a criminal offence to do so.

Mr. Taylor: I merely want to read out the following paragraph from a letter I received from the Solicitor-General:

"As to the conduct of the case, the Government have appeared and argued that the Customs authorities were entitled to act as they did. The Customs authorities, in all the three domestic courts which dealt with the case, and the United Kingdom Government before the European Court of Justice, argued strenuously that the import ban was compatible with Community law. Written observations were made to the European Court of Justice, and the Government were also represented at the oral hearing to reinforce their arguments. Unfortunately the Court of Justice came to the conclusion that the import prohibition is unlawful, although only to the extent I have outlined above."

8.15 pm

That extension of the power of the European Court provides us with two alternatives. We either do as provided in clause 2 and make more courts, or we say, "Hold on a minute. Let us try to find whether, by restricting the number of courts, we may put some restriction on the ever-increasing role of the court in deciding British issues, which should be decided by British courts." Most of us — I am sure you, too, Sir Paul — have received visits during the past few weeks from our constituents representing animal welfare. They are worried about something called the LD50 test; we try new drugs on a controlled group of animals, for example 100 monkeys or 100 rats, and stuff them with the drug until half of them die. Some people consider that to be a very distasteful test and they object to it. They ask hon. Members what we can do. I have seen a written answer from the Minister saying, "If we tried to ban this we would be taken to the European Court. It would be contrary to the Treaty of Rome to do so because it is a European law."

The European Court is extending its jurisdiction, not just into weighty matters of law between nations but into matters which are decided by domestic Parliaments or by domestic courts.

What will be the powers of the new court of first instance? We are told in the Single European Act that its powers will be related basically to points of law. I wish to ask the Minister about the wording of clause 2 of the European Communities (Amendment) Bill, which puts no limit on the number of new courts. Clause 2(*b*) states:

"In sections 3(2) and (3) and 11(1) (which as regards the European Court, provide for judicial notice to be taken of its pronouncements, for proof of its judgments and orders, and for the trial and punishment of persons who in sworn evidence before it make statements which they know to be false or do not believe to be true)."

Is it the Government's intention to introduce an Act before Parliament which will give to the European Court the power to punish and try persons from the United Kingdom? If so, what is the range of the punishments? If they will be put in prison, to which prison will they go? I see, perhaps wrongly, in clause 2(*b*) a major extension of the court's jurisdiction, in that, in the court of first instance, it will be possible for persons to be tried and punished not by domestic courts, but by the European Court of Justice.

Mr. Ivan Lawrence (Burton): My hon. Friend has made a strong case warning us about the problems of the extension of the powers of the court. I draw to his attention a warning which the Select Committee on Foreign Affairs has highlighted in its third report at paragraphs 12 to 14. It stated that, whether or not there is a change in the powers of the court, the preamble could lead to variations in the implementation of the treaty. That was a response to a specific request made by the Foreign Affairs Select Committee to the Foreign and Commonwealth Office.

Since the preamble makes it clear in paragraph 2 that the work undertaken on the basis of the treaties establishing the European Communities and to transform relations as a whole among their states into a European union is an important element of the Single European Act, there is a strong danger, to which we should be alerted, that provision in the Act may be interpreted by the existing courts without any extension of its power along lines which are contrary to the views which Britain has hitherto expressed. Does my hon. Friend consider that that is a serious danger and would he invite my hon. Friend the Minister to give us some reassurance?

Mr. Budgen: We do not want reassurance. We want the truth.

Mr. Lawrence: There is no question of the preamble being interpreted by the court in terms of a European union when deciding any of the specific terms which would be contrary to the wishes of Parliament.

Sir Anthony Meyer (Clwyd, North-West): The hon. Gentleman and his well rehearsed cast of supporting players are making our flesh creep miserably with tales of the horrors that will be perpetrated by the courts. Is the hon. Gentleman maintaining that a complex system such as the European Community can possibly be made to function to the benefit of the United Kingdom without an effective court and that the court of first instance is designed to make that court more effective? He makes our flesh creep with tales of inflatable dolls that will be imported. Were it a question of other countries seeking to prohibit imports of Scotch whisky on the ground that it was damaging to the health of their people I have no doubt that he would be taking a very different view about the necessity for the court to be able to police the operation of the treaty.

Mr. Taylor: If I was to get involved in discussions of that sort I would be here all night. It is my experience, which may be the result of prejudice, that we do not seem to do well when there are disputes. I can think of a local firm which is virtually being put out of business because of the way in which the inner German trade agreement was working. We have been to the Commission and the court time and again but it never seems to work to our advantage. That is another point.

Whether the court is fair or not is a matter of political judgment. My hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) supports his view with great sincerity, but I am sure that he will appreciate that surely the people of Britain are entitled to know what is happening and that there is a huge increase in the kind of decisions

Mr. Butterfill *rose*

Mr. Taylor: Before I give way, will my hon. Friend confirm that he is not one of my supporting acts?

Mr. Butterfill: I am happy to confirm that I am not one of his supporting acts. I should like to correct what I think is a misunderstanding on his part with regard to the extension of the powers of the court for trial and punishment. I refer my hon. Friend to clause 2*(b)*. It seems that the European Court already has the power for the trial and punishment of persons who commit perjury, which is what this amounts to. The clause does nothing more than extend that existing power to any new court which may be attached to the European Court. Therefore, it is not a new power but merely an extension of an existing power.

Mr. Taylor: If my hon. Friend reads what I have said, he will see that I made exactly that point. The power is there in the treaty of Rome, but it is being extended to the court of first instance which we are told is dealing with issues subject to appeal on points of law. I am simply asking the Minister whether he can establish any grounds in which we are discussing points of law where there were justifications for the European Court to try to imprison any constituent of mine.

Mr. Cash: I may offer a slight ray of hope to my hon. Friend in relation to the interpretation of matters before the European Court. Contrary to the practice in the British courts where one may not seek in aid and construction of statutes the proceedings of this House involved, that rule of interpretation is not so strictly applied when it comes to the European courts. The question of whether the Minister may or may not make a statement with regard to the important matters which my hon. Friend has raised may, in due course, turn out to be more relevant than some hon. Members previously thought.

Mr. Taylor: I am grateful to my hon. Friend. I hope that he is right.

Mr. Budgen: My hon. Friend the Member for Stafford (Mr. Cash) has raised a new and serious point. My hon. Friend knows a lot about the details of European law. He knew enough to earn his living from it. He made the good point that in construing European legislation the judges look at what is said by Ministers or by persons in a political position. The European courts constantly take what are not really legal decisions but political decisions. Therefore, those of us who are sceptical of some of the wider principles set out in the treaty ought to realise that those wider principles are looked at as aids to the construing of legislation by European judges. It is essentially a political court. It is not a court in the narrow sense as we have come to understand our courts in this country. Therefore, although my hon. Friend the Member for Southend, East (Mr. Taylor) glibly asks the Minister for reassurance, there can be no reassurance. It is essentially an alien system of law.

Mr. Taylor: My hon. and learned Friend the Member for Burton (Mr. Lawrence) made an important point, and I can assure my hon. Friend the Member for Clwyd, North-West, who has left the Chamber, that he is not one of my supporting team. He referred to one of the possible extensions which was not, as far as I can see, referred to in the report of the Select Committee on Foreign Affairs. I do not know if my hon. and learned Friend has seen it but the wording used is like most international agreements. The Single European Act is prefaced by a preamble. According to the Foreign Office – who knows more about it than the Foreign Office? – the preamble is "'an integral part' of the Treaty 'but neither confers rights or creates obligations' . . . It nonetheless provides the 'context' the interpretation of the operative text, and thus could lead to variation in the implementation of the Treaty." In other words, even the preamble which refers to a commitment to European union could affect decisions before the new court and before the old court.

My hon. and learned Friend the Member for Burton is not one of my supporting cast and he has been a trusted and valuable supporter of the EEC throughout its existence. He is pointing out a real danger. First, we have a court which is extending its powers anyway, and we have plenty of examples of that. Secondly, it is extending its powers on European union through the preamble and, thirdly, it is extending its powers because it will have the task of implementing or adjudicating on the way in which member states are implementing the new Single Act, even if there is majority voting and unanimity. Therefore, I hope that the Minister will give us some guidance. Is the reason for the new court that we cannot cope because of those three specific items?

Mr. Lawrence: Before my hon. Friend goes on, I should like to confirm the correctness of what he said. I helped to draft the passage that he read out.

Mr. Taylor: Apart from the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston), who has left the Chamber, there are few of what we might call obsessive Europeans in the House. I hope that those who are in that category, and there is only one present now, would take the view that there are people who have always supported the EEC and who want to see it be successful but who have been worried sick about the extent to which British sovereignty is being eroded by the existing court and by the new court which is being created.

Mr. Butterfill: On this occasion I hope to be helpful to my hon. Friend. I made the very point that he is now making with regard to the European Convention for the Protection of Human Rights and Fundamental Freedoms which is contained in the preamble. It is sad that it should be contained in the preamble and I hope that the Government will take an early opportunity to deratify that convention because it seems that most of the political decisions which come out of European courts come not from the European Court which is attached to the treaty but from the European Court of Human Rights.

Mr. Taylor: I was certainly not referring to the European Court of Human Rights. It would not be in order for me to do that during the debate. If my hon. Friend is really concerned about parliamentary sovereignty he knows, as I do, that this was ratified for a further five years by a written answer in the House. The European Court of Human Rights in Strasbourg has nothing to do with what we are discussing. It has nothing to do with the Bill and nothing to do with the Common Market. We agreed to join that once again for a period of five years by means of a written answer in the House.

What is disturbing me, and what I hope will disturb my hon. Friend the Member for Bournemouth, West (Mr. Butterfill), is the fact that on issues of the sovereignty of Parliament and our people we have no effective control in the House of Commons. It is only now, I am glad to say, that a considerable number of hon. Members are starting to ask why we cannot have some say in the important decision making. I would be glad to join my hon. Friend and say that we should have some discussion about the Court of Human Rights. However, it is too late. We cannot do anything for another five years. I do not know whether my hon. Friend or I will survive the next election. Let us forget about the European Court of Human Rights in Strasbourg for five years. There is nothing we can do about it. Even if the House voted 629 votes to one to tear it to pieces it will still apply for five years. That decision was taken by written answer in the House. If that does not get us worried, what should?

8.30 pm

Mr. Marlow: My hon. Friend said that the decision that was conveyed to the House in a written answer about the European Court of Human Rights binds us for five years. I should like to draw his attention to the preamble to the Single European Act. Surely that binds us for ever.

Mr. Taylor: How right my hon. Friend is. Once it is ratified, the Single European Act is there for ever. I take the view that this is a dangerous and bad piece of legislation. The Minister, who has not been entirely helpful in this regard, may take the view that it is not a bad piece of legislation. She may say that we are looking for troubles where they do not exist. The fact is that none of us knows. The European Court will decide what the Single European Act does. It will not be the Government, me or other Members of Parliament. That will be decided by the European Court, which will interpret the new treaty.

Therefore, we must be careful and cautious before we give the court additional scope to do things and decide things. If we did not agree to the creation of the additional court, that would be a lesson to the European Court of Justice that we are getting just a bit worried about the extent to which it is extending its jurisdiction.

I should like to ask a few detailed questions in relation to the amendment. The first is: how many new staff will be employed by the court, and what will be the cost? That may be regarded as a silly and niggling question, but I do not regard it as such. The Commission is another great arm of the Common Market. Only today I asked how many people it employed in the year before the Conservatives came to power and how many people are now employed, bearing in mind the fact that we believe in reducing the number of civil servants. I received the astonishing information that the total number of persons employed by the Commission was 7,983 at that time, and is now 10,881 — a substantial increase in the number of persons employed.

Mrs. Elaine Kellett-Bowman (Lancaster): My hon. Friend is omitting to notice that there are now more members of the Community — Spain and Portugal. They have to have their interpreters and other staff.

Mr. Taylor: My hon. Friend will appreciate that the figures that I was given were in 1 January 1986, which was round about the time when Spain and Portugal were joining the Community. I would not have thought that all the staff were in place on the day when the new members joined.

Mr. Deakins: In his answer from the Minister, did the hon. Gentleman get any information about the number of people currently employed in the European Court of Justice, and the number of people expected to be employed in a subsidiary court?

Mr. Taylor: That is the point on which I was hoping that the Minister would give us an answer. How many people are employed by the European Court of Justice? How many will be employed in the new courts? There will be not just one court. There will be one for the European Coal and Steel Community and one for the EEC. There will be at least two new courts. We want to know how many people will be employed and what the cost will be. I hope that the hon. Gentleman appreciates that it is not just one extra court. We have articles 4 and 11

Mr. Deakins: With respect, the hon. Gentleman has got it wrong. At least, I hope that he has. I should be appalled if he were right. One looks to the Minister for an answer. Surely there are three separate provisions in the Single European Act, altering each of the three basic treaties, because there are three basic treaties, each of which is supervised by the court. Therefore, the extra court would be merely one extra court for the European Court of Justice as a whole. There should not be three extra courts.

Mr. Taylor: That was my understanding when I first heard about it. I had heard the Minister talking about one extra court.

I see that the Bill does not refer to "an" extra court. I hope that the hon. Gentleman will look at it carefully. It says:

"decision of the European Court or any court attached thereto".

There are other references to "any court attached thereto". I should have thought that if there were one extra court, the Bill would say "the" court. In fact, one of my amendments says that.

Mr. Deakins: I seriously think that the hon. Gentleman got it wrong. Clause 2 mentions "the European Court". As I understand it, there is only one European Court, which regulates the affairs of the Communities under the provisions of the three basic treaties. All that we are being asked to approve — even that would be beyond what some of us want — is one extra court for the one existing European Court.

Mr. Taylor: I should like to think that that was so. If that was the answer, I should be satisfied. The hon. Gentleman has been bold enough to say that he is sure that I am wrong, but I hope that he will look at the Bill

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carefully. The wording is, "any court attached thereto". If we were to have one extra court, the Bill would have said "the court attached thereto", not "any court".

Mr. Spearing: It might be better to clarify this point straight away. As I understand it, my hon. Friend the Member for Walthamstow (Mr. Deakins) is right. There is a European Court of the European Community, covering the three treaties. It sits in several courts, in that it hears several cases at once, rather like our High Court in the Strand. The provisions set up a lower tier of the European Court, which may be in the plural. It may be an undefined number. That is what I understand the set up to be, which is much more serious than that even the hon. Member for Southend, East (Mr. Taylor) envisaged.

Mr. Taylor: Indeed. I hope that I did not appear to be discourteous to the hon. Member for Walthamstow (Mr. Deakins), but I believe that he should look at the Bill more carefully. He is one of the most conscientious Members in looking into such matters. If he was right, the Bill would have said, "the European Court or the court attached thereto". But I understand that there will be several subsidiary courts. I may be wrong, but we have no information on the real position. I should like the Minister to tell me how many more there will be. Does the Council of Ministers have any control?

We know that the Council of Ministers is taking upon itself in a later article the power to amend the rules of the court. Is there any control of the staff costs and the numbers? Can the Minister give me an idea of what she would regard as a reasonable extra number of people, or a reasonable extra cost?

Mr. Marlow: Maybe I am seeing bogies where they do not exist. My hon. Friend has studied the matter more deeply than I have, but, as he says, clause 2 refers to "any court attached thereto". It may well be that the Bill is written in such a way at the moment so that it anticipates what might happen several years hence. With the Bill written as it is, is it not possible that at some stage a future United Kingdom Government could agree with its European partners that the British High Court could be a court subsidiary to the European Court, and part of that court?

Mr. Taylor: That may be done, but it is not relevant to the amendment. I am anxious to continue with my detailed questions.

My second detailed question is pretty fundamental. I hope that my hon. Friend the Minister and her advisers will take note of it so that I can get a clear, specific reply.

Mr. Butterfill: Perhaps I can help my hon. Friend. Article 32*d*(2) says:

> "The Council, following the procedure laid down in paragraph 1, shall determine the composition of that court and adopt the necessary adjustments and additional provisions to the Statute of the Court of Justice."

Does that not answer the questions that my hon. Friend was asking?

Mr. Taylor: It does not. I am concerned about the control over the number of people. My hon. Friend was referring to article 4. Let him turn over the page and look at article 11. There he will see another reference to a court and the EEC treaty. It is true that, under article 12, the Council has the power to fix the rules of the court—the rules of operation—but not, unfortunately, the numbers of people employed or the global cost. I should like to know who is controlling the cost of that operation. Is somebody somewhere saying, "We think a reasonable cost should be X, Y, or Z, and a reasonable number of staff is this."? Does the Court of Auditors have jurisdiction—I understand that it does not—over whether too many people are employed in the new court? I hope that the Minister will give me and my hon. Friend the answer. Who controls the numbers and the costs? Does somebody do it at some stage?

The next important issue that I would like my hon. Friend the Minister to clarify is whether the new court, which will deal with points of law and Community institutions, will have jurisdiction to implement judgments in so far as they apply to the various inherent parts of the Community. By those inherent parts I refer specifically to the European Assembly which we will have to call a European Parliament.

Mr. Deakins: There is no way that I will call it that.

Mr. Taylor: The hon. Member for Walthamstow may say that he will not call it a Parliament, but I can assure him that it will legally be the European Parliament if the Bill is enacted and the Parliament ratified.

The Minister will be aware that one of the most interesting cases to come before the European Court of Justice recently was a decision by the court that the European Assembly or Parliament had paid out from British taxpayers' money a sum of £27,547,000 to political parties in Europe. That money was paid out illegally, without justification and was used for wrongful purposes. That is not my view; that was the decision of the European Court. The court said that it was a fiddle that £27 million of our taxpayers' money was filched by the so-called European Assembly or Parliament and handed out to political parties.

Bearing in mind the judgment that I have described, I expected something to happen. I have been peppering the Order Paper with questions to Ministers asking what has happened to the money. When will that money be paid back? The answer that I receive is that it is a matter for the European Parliament. The Minister may take that view, but who does the money belong to? I have plenty of constituents who find it difficult to pay their taxes and to get the money that they need for essential services. Like the constituencies of many other hon. Members, my constituency contains hospitals in which wards have been closed. Nothing sickens us more than to see money wasted. However, this money was not wasted; it was fraudulently used. That is the view of the European Court of Justice.

Why should we bother about the decisions of the European Court of Justice affecting us and jump to implement its decisions when nothing has happened after the court's ruling on the fraudulent use of our funds? I have asked the Minister what will happen to the money and if it will be returned to us. Nothing has happened, although we have been told that a committee of the so-called European Parliament is considering the matter.

Mr. Cash: As I tried to explain in my article in today's edition of *The Times*, to which my hon. Friend the Member for Southend, East (Mr. Taylor) referred, the European Parliament does not have an executive to which it can address questions which, in its turn, is accountable to an electorate. Therefore, when matters go before the

European Parliament, we must not be misled into imagining that merely because a problem arises within the framework of the European Parliament—whether or not the Bill is enacted—the questions can be answered by Ministers who must answer them in a democratic assembly.

Mr. Taylor: My hon. Friend has made a fair point. He has said that there is not much that we can do about the matter under the present set-up. However, we are considering a new set-up. The Government have said in many publications that the measure will improve the workings of the European Parliament, and presumably that means stopping the abuse of cash for fraudulent purposes.

Will the new court, in the first instance, have the power to take action over the fraudulent use of money by the European Parliament in relation to the use of 40 million ecu or the £27,547,000 at current exchange rates paid to European political parties? The new court will do many things to interfere with the decision making of individuals and Governments, but will it stop the scandal that I have referred to and, if not, why not?

My next question relates to article 12, which arises under the amendment. That gives the Council the power to change rules of jurisdiction. It also gives the Council of Ministers the power to amend the statute. That is a most unusual power to grant to the Council of Ministers. I may be told that I should not worry about this as it is simply a common term and rather like a regulation going through the House of Commons. However, what is covered by "rules" and "the statute"? Is it possible that article 4(12) would give the Council of Ministers the power to extend the jurisdiction of the court? We have already heard from the Foreign Office representatives appearing before the Select Committee that the preamble—which does not include any powers—will influence the European Court's decisions by making it have more regard to the concepts of European union. If we approve the measure, will we give the Council of Ministers the power to amend the rules in such a way as to extend the jurisdiction of the court? We must remember that we do not have any power over its actions at present. That is a fundamental point and we are entitled to a clear answer.

Sir Anthony Meyer: As I understand it, surely the Council must act unanimously. Does that not specifically enshrine a British veto on any application of the clause in the manner that my hon. Friend suggested?

8.45 pm

Mr. Taylor: Indeed, it may. A point of detail is involved and I hope that my hon. Friend was present when I raised it earlier. Although we hear much about veto, I hope that my hon. Friend will appreciate that the Single European Act will grant the court and not the Council the power to take decisions. There is a problem over the power of veto to protect us on the question of harmonising VAT. However, once the measure is passed, the court will make the decision.

My hon. Friend knows more than most hon. Members about the working of the Community. My hon. Friend will know that the Council of Ministers often works by horse trading. Often Ministers say that they will agree in one council if Ministers will agree on another matter in another council. That is natural with the constitution of the Community. It is inevitable that if we are desperately anxious to get something through the Council of Transport Ministers and the French are stopping us, but the French are anxious to get something through the Council of Health Ministers, we can—not openly—reach an arrangement. To that extent, the power of veto and a change in the rules does not provide the protection that I require. If there is to be a change in the rules, will that extend the Government's jurisdiction or powers?

Mr. Cash: This is an extremely important question. The problem sometimes arises in the context of our domestic legislation in the United Kingdom. Orders are sometimes made under what is known as the Henry VIII system whereby we are requested to agree to legislation which, by order, will enable us or a Minister to amend the provisions of an Act of Parliament. It is well known that that provision is deeply resisted by the House, because it is using a form of procedure that is appropriate to subordinate legislation to amend a substantive Act of Parliament.

I am worried about whether the provision that we are discussing does the same by giving the power to the Council. I should like to emphasise that, because the power is permissive and is conferred on the Council acting unanimously. That is a further restraint, and I concede that. None the less, that is a significant power that is granted to the Council to enable the provisions of title 3 of the statute to be changed when the proceedings before the House are being enacted in the present form because at present it would not be open to any order-making power to confer provisions in the same way.

Mr. Taylor: I am glad that my hon. Friend has brought his long legal experience to bear on this matter. He has confirmed my worry. The Council will be granted the power to amend title 3 of the statute. That is the power to change legislation and the Council will make that decision.

To supplement the point made by my hon. Friend the Member for Stafford, I should like to know what the rule changing involves. It can mean anything at all under article 12 because the rules under which the courts operate can be amended by the Council in any way that it thinks fit. Do we have any protection against such amendments changing the actual jurisdiction of the court?

Mr. Marlow: My hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) suggested that there was nothing to worry about because there had to be unanimity in the Council, so we could veto any change in the powers of the court. Mention has been made of barter—"You agree this for us and we will agree that for you". Before this measure ever saw the light of day our Prime Minister said that it was unnecessary, as indeed it was. This massive constitutional change was agreed to by our Government and Prime Minister as a basis for barter. The rebate due to us was being obstructed and we agreed to this because we wanted to get our money back. Yet this is one of the most fundamental pieces of legislation to come before the House. As a result of that barter we have agreed to something in which we do not believe and which we do not regard as being of any use or interest to the United Kingdom.

Mr. Taylor: To follow that intervention would raise much wider issues than are covered by the amendment, but my hon. Friend is right in one respect. It is not this clause

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that will determine the power of the court. My fear is that the court will be able to determine its own jurisdiction and powers. We have already received a warning from the Foreign Office, of all places, about the danger of encroachment on British sovereignty by the EEC. The Foreign Office warned the Select Committee that even the mealy-mouthed preamble about European union would affect the context in which the European Court will make its decisions. If the Foreign Office is getting worried about the powers of the Common Market, it is time for all of us to put up the panic signals.

Mr. J. Enoch Powell: Before the hon. Gentleman leaves article 3, perhaps he will tell us whether he has succeeded in finding title 3 and, if so, where he found it.

Mr. Taylor: Title 3 is in article 188 at the back of the EEC treaty. The Library found it for me. Right at the back there is a description of the powers of the European Court.

My fourth question to the Government is equally fundamental. Will any of the rule changes set out in article 12 be subject to the approval of the Parliaments of member states, or does the Council of Ministers have the right to act without reference to the United Kingdom Parliament? That is extremely important. The Government may say, "What does it matter about Parliament? We will get agreement to this, come what may." But there is a great deal to be said for bringing things before the House. At least it is a way of telling people what is happening. Those of us who have been here for a long tme may wonder whether our debates achieve very much, but at least they bring the issues before the people. If a fundamental rule change for the operation of the European Court of Justice is made at a meeting of the Council of Ministers in Brussels very few people in Britain will know anything about it, but if such changes have to be debated by the House of Commons and approved or rejected those who are expert in these matters will ensure that people know exactly what is going on. We may not change Government policy on that occasion, but the matter will be borne in mind for the future.

We were all here when the Government rushed through the big increase in VAT own resources. Some of the public were outraged at the huge increase in Common Market spending, but we did not manage to stop it. Nevertheless, as a result of the issues raised in that debate it would be very difficult, even with the help of the Foreign Office and the Treasury, to put through a further increase in VAT because people now have some idea what is going on. That is why it is so important that if there is to be a change in the rules of operation of the European Court under article 12 the approval of Parliament should be sought. Then at least we shall know what is going on and can bear it in mind if a further rule change comes up.

How often can rule changes be made? Clause 2 gives the impression that there is to be just one change, but my reading of the measure suggests that the Council of Ministers can make regular changes. Regular changes cannot be made without changing the powers and scope of the new court and, indeed, the existing court.

I do not know whether the Minister can answer my final question, but I hope that somebody can. Have the Government sought the views of the United Kingdom courts about the impact of the increased power of the European Court? The last thing that we want is for our courts to become involved in politics or controversy, but the correspondence in the press from learned barristers and QCs shows that the legal set-up in this country is getting worried about the increase in power and scope of the European Court. That worry will grow if the clause is passed allowing the setting up of additional courts in the European Court of Justice. I hope that someone somewhere is keeping in some kind of contact with the British courts and what they think. I do not mean what they think about their own rights and responsibilities. People are always anxious to hold on to their little bit of power and responsibility.

Mr. Budgen: My hon. Friend talks of asking what our courts think, but they are now subordinate. They have no more right to say what they think than the corporal who is ordered to do something by his commanding officer.

Mr. Taylor: That is certainly true as things now stand. Our courts are clearly subject to the European Court of Justice, but only within the interpretation of the treaty of Rome. Another treaty is now being proposed under which our courts will be subordinate to the European Court. Surely it would be interesting to know what our courts think, not just in terms of their wishing to keep their little bit of power and authority but in terms of the rights of British people. Happily, I have never appeared before a court, but I have gained the impression that our courts are as much concerned with the rights of British people as with implementing justice, chasing crime, and so on. They are the guardians of the rights and liberties of the people. Our judges and others must have some views about this. I hope that the Government are consulting them because in this minor part of this very important new Bill I see a fundamental change, creating a whole new treaty and giving a new court power to implement that treaty in any way that it thinks fit.

I believe that this represents a huge diminution in the rights and obligations of the British people and in the right of Parliament and the British courts to protect them. It is wrong to suggest that things should never change, because things must change, but Britain has been marked by having a Parliament that can protect the people. We have a Parliament that has fought for justice and courts which have defended the freedom and liberties of our people. That was certainly eroded by the implementation of the treaty of Rome and the extension of the powers of the European Court of Justice. Before we take another major step forward towards a new additional treaty of Rome and new additional courts to implement points of law, we should stop and think whether it will make life better in any way and whether it will safeguard our freedom and liberty. To have these decisions made by foreign courts composed mainly of people whose experience of the law is in a wholly different tradition will simply take decision making further from the British people. Some people may say better and some may say worse, but their tradition is certainly not the same as ours. We should think extremely carefully.

I hope that hon. Members will probe the Government so that we can at least tell the British people what is happening. We may not stop it this time, but let us hope that by telling people what is going on and what has happened to their liberties and freedoms we shall at least stop a further grave mistake, such as the one which the Government are making tonight.

Mr. J. Enoch Powell: It was an important constitutional event when you decided to call amendment No. 1, Sir Paul. It is no accident that the debate which the calling of that amendment initiated has exploded into a major constitutional discussion.

The amendment tabled by the hon. Member for Southend, East (Mr. Taylor) would reduce by one the provisions of the Single European Act, which by this Bill are included in the definition of the treaties and the Community treaties in the European Communities Act 1972. I may be mistaken in my opinion that the Government have not introduced the Bill as a mere act of supererogation. It is not a superfluous act on their part to provide the House with something with which to amuse itself during the summer months. They would not have introduced the Bill if they had not considered that it was necessary to enable them to make the treaty which they have made to the implementation of the duties which they had undertaken in signing that treaty. We must presume that they have included in the Bill all those provisions of the Single European Act that are necessary to validate in effect in practice their adherence to that Act as a Government.

9 pm

In international law and relations the Government have bound themselves to the observance of that instrument, but in order to be able to do so, consistently with the law of the United Kingdom — just as in 1972 in order to accede to the European Community they had to define those treaties and make provision through section 2 of the 1972 Act — they must now come before Parliament and ask it to include within that definition of the 1972 Act certain provisions of the Single European Act.

If the amendment is carried, it will remove one of those certain provisions which will no longer be understood when the terms "the treaties" and "the Community treaties" are construed in future. This is no laughing matter. Indeed, we are engaged in something similar to what has been occupying the United States Congress in discussing the extradition treaty which their Government had entered into but which their Government must ask the United Kingdom to alter by agreement, presumably, as Congress has declined to legislate on the domestic law of the United States in order to give effect to the agreement which had been reached between the two sovereign Governments.

If we decide to accept the amendment we shall remove one of those certain provisions, and the Government will need to notify the European Community that to this extent they will be unable to comply with the provisions of the Single European Act. Therefore, if hon. Members think that this matter can be allowed to go without a Division by any person who is serious about the constitutional powers of this House, I ask them to think again. When we consider this amendment we have power in our hands over the Government to limit the exercise of the treaty-making prerogative of the Crown.

With respect to the hon. Gentleman, I do not think that we are engaged in the business of ratification, although I am open to correction. Ratification is a different process altogether whereby the Government are assured of the general——

Mr. Robert Jackson (Wantage): The treaty is a multilateral organisation, unlike the bilateral treaty between the United States and Britain that the right hon. Gentleman has described. Will he speculate about the practical consequences if we in the House were to vote in the sense that he suggests and every other member state were to decide to proceed to establish the new arrangement as proposed?

Mr. Powell: It will be interesting if the hon. Gentleman intervenes later to push that speculation further. I am concerned with the consequences upon the adherence of the United Kingdom to the Single European Act. The Government's view — this stands upon the face of the Bill — is that for the United Kingdom validity to assent to the Single European Act it is necessary for this and other provisions of that Act to be written into the law of the United Kingdom by means of this Bill.

It is an interesting speculation exactly how the Government would get themselves out of the scrape that would result, but it is a real scrape and it is no use the House saying that it has no control over the domestic consequences of the external commitments into which the Government enter.

I know that we are only permitted to allude by way of imperfect analogy to the European Court of Human Rights and the European Convention on Human Rights. Nevertheless, the House has, in effect, cocked a snook at the Convention on Human Rights, the Commission and the court by the decisions which it has come to in the face of Government proposals in the matter of corporal punishment. That is a bagatelle compared with what is happening here. We are at the heart of the matter. It would be valuable if the Minister, when she replies to the debate, could explain exactly what effects upon citizens subject to the law of the United Kingdom this provision will have if the provision is, as the Bill proposes, included in the definition in the 1972 Act.

What we are clearly doing is deciding on the application of a part of the Single European Act within this realm. Before the House decides whether to assent to that, it should be told clearly how those who in the United Kingdom are subject to the United Kingdom law will be affected by the provision which the amendment moved by the hon. Member for Southend, East will eliminate. I leave that there having put on record the fact that it is a solemn decision which we are about to take. If, when the question is put, there are tellers available, it will be no use hon. Members who do not go into the Lobby saying that they have no power to override the treaty-making prerogative of the Crown. They have, in so far as that treaty-making prerogative is exercised with a view to altering the rights of the citizen here inside the United Kingdom.

I turn from that to the kind of legislation that we are achieving if we allow the provision to be included in those definitions. That brings me to article 4—articles 4 and 12 cohere to a certain extent, but I refer to article 4 of the Single European Act to which we are assenting.

We are not assenting to article 4 in the way in which we assent to provisions of an Act of Parliament. Although, as I have already demonstrated, article 4 will have its consequences for the subjects of the Queen inside the realm, we are not altering the law; we are changing a provision in a treaty. But the effect of it is equivalent to the making of new law.

Let us see how we are going about our business. It is a very grim business that you will find, Mr. Armstrong, when one is engaged in legislation by way of treaty amendment rather than by making Bills and examining

[Mr. Powell]

them in principle and in detail in both Houses of Parliament. I have done my best, as I am sure have hon. Members, to study article 4. We find immediately, as the hon. Member for Southend, East discovered, that we do not know whether we are assenting to the setting up of an additional court of the European Coal and Steel Community, as it happens, in article 4, or two courts, or any number of courts.

It is inconceivable that a Government would dare to bring to the House a piece of legislation to set up a court, and that when we had read the legislation we could not possibly decide whether it gave power to set up one or two courts or any number of courts. We gather from a verbal expression to which the amendment of the hon. Member for Southend, East draws attention that there is a possibility of a plurality of courts.

By legislating by an amendment of treaty we are legislating in a fog on matters of substantial importance. It is a matter of substantial importance whether we as members of the European Community have to support the bureaucracy and top-hamper of one court, two courts or an unlimited pullution of junior courts or courts attached to the European Court of Justice. *[Interruption.]* I do not know whether any hon. Member dissented or objected to my use of the term "pullution". It seems to me to be perfectly appropriate to a process of multiplication which may be within the terms of this Bill.

Mr. Marlow: The right hon. Gentleman has great experience of this issue. I should be grateful if he could tell me why this part of the final Act comes under provisions amending the treaty establishing the European Coal and Steel Community. Does this court have reference only to the European Coal and Steel Community or is it likely to have other effects? This is the final Act and the provisions of the final Act. The Bill is the Bill, and what is contained in that is the law of the land. The Bill could go rather wider than this final Act.

Mr. Powell: What fun this is. We are amending the law of the land by including in definitions in the European Communities Act 1972 various amendments of amendments, amendments by reference to parts of various treaties to which the United Kingdom is a party. It is not just legislation by reference: it is legislation by amendment of treaty by reference. That is what is happening and it produces some entertaining effects, one of which the hon. Member for Northampton, North (Mr. Marlow) has drawn to our attention, namely, that one has to look at article 11 as well as article 4 in order to find out what is going on, in order to add courts under the treaty of Rome to courts under the European Coal and Steel Community.

Mr. Spearing: The right hon. Gentleman is helping the House enormously by unravelling the meaning of these many treaty articles relating to clause 2. We are still not sure whether the court is a single court in the sense of being at the level of a High Court which can pullulate different chambers of justices. Does the right hon. Gentleman not think it remarkable that any Government of Her Majesty the Queen, who has courts in Britain, should come to the House with an almost indigestible series of pieces of legal jargon and without an accompanying White Paper that expounds clearly that which is intended?

Mr. Powell: It could be that the clear exposition of what is intended would have been inconvenient, or is that an unworthy thought that entered my mind? I am glad to be assured that I am helping the House, and I assure the House that I am being helped by the different interjections, including the interjection by the hon. Member for Newham, South (Mr. Spearing). The hon. Gentleman raised a difficult point for a non-lawyer: when is a court not a court? Since he asks for it, my understanding of the matter is that a court can sit in different sections if it wants to, or if its rules permit that, but that that does not make additional courts in the way that we are providing for additional courts by this amendment of the treaty in article 4.

As I understand it — and any one of us could well be wrong — in article 4 we are creating something that is not a court of justice of the treaty of Rome, whether sitting in one piece or in different pieces, but a court subordinate to it in one particular, and additional to it in other respects. That is what I understand to be happening. What a predicament it is for us to discover when we are legislating — and we are legislating, though indirectly — that we have great difficulty in finding out on the face of the Bill what the legislation is possibly about. It is extraordinary for us to have a Bill that discloses none of the changes in the law that will be made if we accept the Bill.

9.15 pm

Mr. Spearing: The right hon. Gentleman appears to be saying, for the purposes of debate, that, for convenience, we should refer to the additional court as the lower European court. However, is not the right hon. Gentleman incorrect in saying that the lower European court is a subsidiary of what is known as "the Court of Justice"? Article 32d makes it clear that there is no appeal from the lower court to the "Court of Justice" in the way that we have an appeal to the House of Lords. There is only an appeal on a point of law. Therefore, while the lower court is a subsidiary court, it is not a subsidiary in the way that we understand that term in this country.

Mr. Powell: I am sure that the hon. Gentleman has construed correctly paragraph 1 of new article 32d in article 4 of the Single European Act. I want to leave that point after drawing attention to one other impermissible vagueness in what we are doing by making that amendment. The paragraph to which the hon. Gentleman referred mentions

"certain classes of action or proceeding"

that are to come before the new court. So we are asked to assent to the setting up of these courts attached to the Court of Justice and they are to deal with

"certain classes of action or proceeding".

We are not told what

"certain classes of action or proceeding"

there are. No Government would dream of bringing before the House a Bill that left so substantial a matter so vague. That brings me directly to article 12.

Mr. Teddy Taylor: As this is meant to help people to go to the court, does the right hon. Gentleman, who has obviously studied the articles, know what is meant by a "natural" person who can go to the court? I have asked the Library, but it cannot find any trace of a definition in case law of "natural or legal persons" as opposed to an unnatural person.

Mr. Powell: Endeavouring to construe from the context, I read on and found a reference to

"Member states of . . . Community Institutions"

and thought that perhaps they were the unnatural persons implicit in the wording to which the hon. Gentleman referred. Whether I am right or wrong and whether the hon. Gentleman's question is material or not, these are certainly matters that we would need to have cleared up if, in any proper legislative context, we were making new law, as we shall undoubtedly be making new law if we leave the Bill as it stands.

Mr. Budgen: Could it be that, because continental law is seen so much as the handmaiden of the executive, that, as we approached a united Europe and as such political doctrines as convergence require greater intervention and a more effective attitude of interference by the European court, so it is envisaged that further courts may need to be set up, including, for example, "the convergence court", rather as we have our own Restrictive Practices Court?

Mr. Powell: I see nothing in the wording that would exclude the hon. Gentleman's suggestion. I listened with great sympathy and agreement to earlier interventions by the hon. Gentleman on the radical difference in the concept of courts of justice within the framework of the EEC, and between the continental tradition and our own. Indeed, that is one of the grounds for my fundamental and instinctive detestation of the United Kindgom's adherence to the European Community. However, I am allowing hon. Members to tempt me into greater prolixity than I had intended, and so I shall hasten to article 12.

Mr. Marlow: I probably did not make my point clear the first time. I understand that article 4 enables the Community, through unanimity, to establish a supplementary court and to attach a further court to the European Court of Justice. But the Bill gives power to any courts established by the Community at any stage and at any later date. The Bill is therefore much wider than the European final Act.

Mr. Powell: I share the hon. Gentleman's alarm at the expression "any" in the Bill. Indeed, the hon. Member for Southend, East has tabled an amendment to remove it. That expression certainly implies a laxity of use of the power that we are conveying, and the possibility of a considerable multiplication of courts.

I must return to the subject of article 12. We have been greatly helped by the means of discovering where title III of the statute referred to in the new paragraph to be inserted in the treaty of Rome by means of article 12 is to be located. However, the trouble remains that we are creating a new kind of delegated legislation. We are delegating, admittedly under certain conditions, to the Council of Ministers the right not just to make European law — the Council of Ministers is undoubtedly the legislature of the Community as it stands—but to alter treaties. Therefore, it is a delegation of the right of legislation by the exercise of treaty-making power.

During our proceedings on the 1972 Bill I remarked that as a Tory I was tender of the royal prerogative but that it had never occurred to me that even a Conservative Government would introduce legislation to make possible legislation by prerogative. Of course, it is legislation by prerogative of treaty-making that is here being delegated. Thus we have the monstrosity of the delegation by this provision of a form of legislation which is incompatible with the principles and spirit of our constitution. For the sake of greater completeness we should no doubt have an amendment that moves out article 11 as well as article 4. But when the House is seized of this matter, I hope that it will recognise that it has in its hands, if only for a few hours, the power to reassert the sovereignty of the House as against the Government's use of the treaty-making prerogative of the Crown.

It is no small business that we are about in debating this amendment, and I hope that not only the debate but the outcome will be worthy of the magnitude of the issue.

Mr. Butterfill: My reading of the situation is somewhat different from that of other hon. Members. With my much briefer experience of the House, I am obviously loth to question the greater experience of other hon. Members, such as the right hon. Member for South Down (Mr. Powell).

However, it would seem that we are not creating a new court. We are admittedly creating a subsidiary court, or possibly courts, but we are doing so only in accordance with the first paragraph of article 4 or 11, which lays down the circumstances in which those courts can be created, and gives the ground rules. Such a court can be created only at the request of the European Court of Justice, and then only after consulting the Commission and the European Parliament and by the unanimous resolution of the Council of Ministers.

The dangers of some amazing new court with amazing new powers emerging have been grossly over-stressed, because the court will not have new powers. It will not have any powers which are not possessed already by the European Court. The European Court interprets the treaties. The only new powers which any court, including the European Court, could have would be those which arose from changes in the treaties. We are considering the extent to which this legislation may amend those treaties.

Mr. Budgen: My hon. Friend is wrong. The treaty does not envisage a static situation. It lays down a large number of principles—not all of which are consistent with each other — by which the European Community may proceed. My hon. Friend cannot, therefore, say that we are talking about the interpretation of the treaty at any one moment. We are discussing the interpretation of a living system of law.

Mr. Butterfill: I am grateful to my hon. Friend. I hope to deal with that later.

Mr. Maxwell-Hyslop: Will my hon. Friend give way?

Mr. Butterfill: I am sorry, but I must continue. I shall give way later if I do not deal adequately with the point which my hon. Friend wishes to make.

We are concerned with the interpretation of the treaties and the extent to which they may themselves be living and changing. We must examine the contents of the Bill. We must consider the extent to which the Bill gives force of law to the Single European Act.

My hon. Friend the Member for Southend, East (Mr. Taylor) gave the impression that we were being asked to approve the whole of the Single European Act. That does not seem to be so, on my reading of the Bill. I believe that the Bill gives approval only to parts of the Single European Act and then only for the purposes of section 6 of the European Assembly Elections Act 1978. That gives rise to a rather nice position.

Article 33 of the Single European Act states:

[Mr. Butterfill]

"The Act will enter into force on the first day of the month following that in which the instrument of ratification is deposited of the last Signatory State to fulfil that formality."

I am not sure how we formally ratify in that way. We certainly shall not be formally ratifying the Single European Act in that way this evening. If we do not ratify the Act in its totality in that way, possibly the Act will never come into force. The first day of the month following ratification might never arrive. Perhaps that is what the signatories to the Act intend.

This evening we are ratifying certain sections of that Act which are innocuous and fulfil a useful purpose—that of aiding the work of the European Court, of reducing the congestion which occurred as a result of the request to clarify the treaties and of providing for a subsidiary body to assist in the work of that court. To that extent, it is wholly——

9.30 pm

Mr. Bill Walker (Tayside, North): I am not a lawyer, but I draw my hon. Friend's attention to the long title and its final few words:

"approves the Single European Act".

Is that not what the debate is about this evening?

Mr. Butterfill: Of course those words are in the long title, and to that extent it would have been possible for the Bill to contain that provision, but it does not go that far. No clause, as far as I understand it, fulfils that function. The only clause that actually ratifies the Act in any way is clause 3(4), which does so in relation to the European Assembly Elections Act 1978.

Mr. Maxwell-Hyslop: My hon. Friend disputed the proposition that the court was not entitled to a static system of legal exhortations, interdictions and arrangements, but only to a moving one. There is frequent reference in the Single European Act to the European Parliament, yet the original treaty does not provide for a European Parliament. If that is not absolute evidence of a development, however illegal, pray what can be?

Mr. Butterfill: My hon. Friend knows full well that he is talking about semantics——

Mr. Maxwell-Hyslop: No, it is real.

Mr. Butterfill: The use of the words "European Assembly" has no real meaning. We may call a Parliament a Parliament in this country, but in France our equivalent is called an Assembly and in America it is called a Congress. It is a question of semantics and has no legal significance. If people want to argue about what they call the thing that I choose to call the European Parliament, and which this Bill, if we pass it tonight——

The First Deputy Chairman of Ways and Means (Mr. Ernest Armstrong): Order. I allowed the hon. Member for Bournemouth, West (Mr. Butterfill) to reply to the intervention, but he is now going wide of the amendment.

Mr. Butterfill: I had hoped that I was confining my remarks to the subject of our debate. If, in responding to an intervention, I strayed from the path that you would wish me to follow, Mr. Armstrong, I apologise.

Mr. Teddy Taylor: I am following my hon. Friend's remarks with great interest. I ask him to consider honestly what he is saying. He said that the provisions of the Bill were innocuous. Does he think that the inclusion of a legal commitment by the United Kingdom to go with the harmonising of indirect taxation is innocuous? I accept his arguments for and against it, but I hope that he will accept——

The First Deputy Chairman: Order. The hon. Gentleman is going down a road that is not concerned with the amendment.

Mr. Butterfill: As I thought I said earlier, my interpretation of the Bill is that it confines itself to certain fairly narrow elements of the Single European Act and does not seek to approve or ratify the Act as a whole.

Mr. Budgen *rose*——

Mr. Butterfill: I have concluded my remarks. If my hon. Friend wishes to make a point, I am sure that he will be given the opportunity to do so.

Mr. Deakins: I thought that the debate on which we embarked some time ago about the extra court would be relatively short, with the Minister in due course answering a number of questions put by right hon. and hon. Members. However, it has developed, rather unusually, into a major constitutional debate, and that shows the House at its best. We have discovered that even a matter which, on the whole, seems to be relatively innocuous prima facie has implications and repercussions that go much wider than the mere wording of the change that we are asked to bring about in British domestic legislation.

I begin by asking the Minister to clear up the issue of how many European courts exist. I shall make an attempt myself to do so, and I hope that the Committee will bear with me. Why was it necessary in the Single European Act, and why, therefore, is it necessary in the Bill, to refer to articles which amend the EEC treaty, the ECSC treaty and the European Atomic Energy Authority treaty? I thought that the three basic treaties were combined some years ago into what was supposed to be the single European Community treaty.

I am strengthened in my thinking by the treaty of Rome, a copy of which I have to hand. On page 146 is one of the protocols that is attached to the treaty, and article 2 refers to the European Court of Justice. Article 3 states:

"The jurisdiction which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Authority confer upon the Court of Justice shall be exercised, in accordance with those Treaties, by a single Court of Justice composed and appointed as provided in Articles 165 and 167 of the Treaty establishing the European Economic Community and in Articles 137 to 139 of the Treaty establishing the European Atomic Energy Community."

For some reason there is no mention in that article of the European Coal and Steel Community. It makes it clear, however, that there was from that time a single European Court of Justice. The following articles, which I shall not weary the Committee by repeating, mention a single European Court of Justice. Unless the Minister says something different—I hope that she will not—when she replies, we must work on the assumption that there is but one European Court of Justice.

Another question for the Minister is why the European Court of Justice and the subsidiary court mentioned in the Single European Act are now to be brought into our domestic legislation by clause 2. Why was this intention not mentioned in any of the summit communiqués of last

year? I confess that the first moment that I realised that there was to be an addition to the European Court came when we had the Single European Act, and then with the Bill. The provision seems to have been inserted in the Single European Act, as a result of the intergovernmental conference or conferences of the summer and autumn of 1985.

That happened with remarkably little publicity. I do not think that one of the instructions given to the intergovernmental conference or conferences by the summits in March and June of 1985 was to talk about creating a single internal market and improving decision-making, for example. It was not an instruction from the Heads of Government at those meetings that the European Court should be empowered to have a subsidiary court. I do not know where the proposition cropped up.

The purpose of the subsidiary court is unclear. I have armed myself with a copy of the proceedings of the Select Committee on Foreign Affairs that took place on 7 May. I am glad that the Minister of State, Foreign and Commonwealth Office is on the Treasury Front Bench because she went before the Select Committee on that day to answer questions about the Single European Act. I am no longer, much to my regret, a member of that excellent Committee. The members of it, however, did an extremely good job, and one of them asked the Minister several questions about the legislation affecting the European Court and the new subsidiary court.

Question No. 180 was asked by an hon. Member:

"Could I just ask you now about the Court of Justice? The Single European Act enables the court of first instance to be attached to the Court of Justice. It is purely permissive, it is not mandatory. You, Minister"—

the Minister of State, Foreign and Commonwealth Office, the hon. Member for Wallasey (Mrs. Chalker)—

"appear to have implied in the Second Reading debate that the work of this additional court would be limited to dealing with internal Community staff matters. Could you confirm that this is certainly the intention of Her Majesty's Government because the Treaty certainly is by no means exclusive on this point?"

The hon. Lady replied:

"Indeed, it could go"—

the remit of the new court—

"slightly wider, but that would be at the discretion of the European Court of Justice. The problem which has occurred is this: the workload of the Court of Justice has increased threefold over the last decade. Some half of the workload involves staff cases which are not legally significant, I am informed, but are of course very time-consuming because they deal with the matters of individuals. There is no question of increasing the powers of the Court, but it is a question of the redistribution of the workload and the court of first instance would be attached to the European Court of Justice. It will take on some of its work at the behest of the European Court of Justice"—

I am not sure about the word "some"—

"but it will not take on new work"—

I do not know whether the words "new work" mean work which comes direct from outside the European legal system, such as it is, or whether they mean new work which comes from the European Court itself. It is a bit vague.

The Minister continued:

"and it will not have new powers, any powers of its own; it is part of the European Court of Justice."

I shall continue with that point because it is to the Committee's advantage that we understand what the hon. Lady said and what queries were raised. The questions are pertinent to the matters raised by all hon. Members regarding the amendments and clause 2. The hon. Member went on to ask, in question No. 181:

"As I understand it, it is hoped that the new court will reduce the main court's workload by dealing with actions by Community staff against the institutions employing them and also, as I understand it, in cases raising complex issues of fact, specially competition and anti-dumping cases. I just wondered whether this was so. Is that the intention of Her Majesty's Government?"

The hon. Lady replied:

"The point about the court of first instance is that it only has those powers which are delegated to it under the European Court of Justice, it has none of its own."

That was a repetition of the previous answer. She continued, and I emphasise:

"We are awaiting detailed proposals from the European Court of Justice as to what subjects will be dealt with or are suggested to be dealt with by the court of first instance."

Therefore, as of 7 May—the hon. Lady may have further information for us tonight—the Government did not know what subjects would be dealt with by the subsidiary court. I do not wish to demean the court by calling it a "subsidiary court". It seems to be a shorthand way of describing it. It does not have a name at present.

The Minister later told the Foreign Affairs Committee:

"But in all probability it is . . . cases which involve that time-consuming fact-finding and those of minor legal importance which currently account for over half the cases that come before the Court."

She said, and I stress:

"Other work which might be involved is in the industrial and commercial field which simply entails unravelling the most complicated issues which take so much time but which do not actually have a final bearing on the outcome except for the information which they supply."

That suggests that the Government are not clear about the relationship between the subsidiary court and the Court of Justice, apart from not being clear what powers it will have and what work it will do.

Mr. Budgen: Does the hon. Gentleman agree that this extended court could be especially useful if the EEC countries agreed to a major policy of sanctions against South Africa? As we all remember from the previous period of sanctions against Rhodesia, it is often extremely difficult to ascertain the facts. No doubt, it would be useful to have another court to look into those problems.

9.45 pm

Mr. Deakins: I cannot answer the hon. Gentleman's point because I am not in charge of the Bill. The Minister may be able to help, if she has more information than she was able to provide the Select Committee on Foreign Affairs on 7 May. We shall know a little later.

Is this subsidiary court necessary? I do not mean "necessary" in terms of work, because we still do not know what work it will do or what powers it will have. I mean "necessary" in terms of the amended treaty of Rome. Section II of the convention on certain institutions common to the European Communities concerned the European Court of Justice. Article 4(2) stated:

"To this end, on the date when the single Court of Justice referred to in Article 3 takes up its duties: *(a)* Article 32 of the Treaty establishing the European Coal and Steel Community shall be repealed and the following provisions substituted therefore".

I confess that I had not realised when we were debating these matters in 1972 that one article appears to refer to two of the basic treaties and another to the third of the basic treaties, but in a different light. I should have

[Mr. Deakins]

thought that the aim in unifying the Community was to have one form of justice and common institutions and rules. New article 32 stated:

"The Court"—

the single European Court of Justice—

"shall consist of seven Judges.

The Court shall sit in plenary session. It may, however"—

the right hon. Member for South Down (Mr. Powell) and others were concerned about this—

"form chambers, each consisting of three or five Judges, either to undertake certain preparatory inquiries or to adjudicate on particular categories of cases in accordance with rules laid down for these purposes."

If there is already power for the single European Court to divide up its judges so that they can make preliminary inquiries and do the fact-finding, devilling and donkey work, if I may use that non-legal expression, which the Minister of State mentioned in her answers on 7 May to questions 180 and 181, is it necessary to have a subsidiary court?

Mr. Cash: The answer may lie to some extent in a problem which has concerned the interpretation of the treaty for some time, known as the contentious jurisdiction of the court. Effectively, this provision in combination with article 12 provides a means whereby the vacuum in the ability to enhance the jurisdiction of the court can be filled, rather like the provisions of article 235 of the treaty. That may have something to do with the problem which faces us.

Mr. Deakins: I bow to the hon. Gentleman's superior legal advice. I am certainly not a lawyer, as he is.

Mr. Budgen: I suggest that the hon. Member for Walthamstow (Mr. Deakins) attaches insufficient importance to the difference between the continental inquisitorial system of justice and our adversarial system. In our system it is not the judge's duty to adduce evidence and find out the truth. He simply sits and listens to such evidence as is brought before him and makes up his mind on that evidence. The continental system is different. The judges believe that there is something called objective truth. They go out and try to find it and they inquire about it.

Mr. Foulkes: The French.

Mr. Budgen: Not especially the French. However, the same system extends to most of the continental systems. It may well be that they are envisaging systems by which they will set up preliminary inquiries so that, for the sake of argument, if they are inquiring into the power to control and enforce any future EEC sanctions against South Africa, they will set up an inquiry quite different from the inquiry we set up to look into that control. It would be necessary to have some form of subsidiary court which would sus out the information and it would then go forward for further consideration by another part of the court.

Mr. Deakins: I accept what were probably strictures from the hon. Gentleman. I accept his example that the English legal system is very different, as we all know, from the continental system — although I think that the Scottish law has some similarities. However, I do not think that that is necessarily what the Government have in mind or what might happen.

Mr. Budgen: We do not know. We shall not be told, either.

Mr. Deakins: No, we do not know. There are analogies in the English legal system. As I understand it — there are are plenty of lawyers in the House who will immediately correct me if I am wrong — normally a superior court will not query the findings of a lower court on matters of fact. We have a system of magistrates courts, for example, and we also have Crown courts and courts of criminal appeal and so on. It is not normal in the English legal system for superior courts to go through the business of fact-finding again. It may be that what they have in mind, although it is the continental system, is the need to have a subsidiary court to find fact.

My point is that we do not need a subsidiary court to do that work. I appreciate that that work is necessary and that it is time-consuming and boring and so on. However, if the judges can divide themselves into chambers and, presumably, little subsidiary courts in their own right, what need is there for legislation, for the Single European Act and for changes in the basic treaty?

Mr. Teddy Taylor: I would like to think that what the hon. Gentleman says is the full story. I accept that he may be right in saying that there is no need for the Single Act. However, line 4 of article 32(d) refers to

"a court with jurisdiction to hear and determine at first instance".

It seems that what is proposed is something not just to establish the facts but to determine certain classes of action brought by natural persons. I can see problems because in British law we do not have a definition of a natural or unnatural person. The hon. Gentleman would be wrong to think that it is just fact-finding. It provides for the courts to have the power to determine certain classes of action.

Mr. Deakins: The hon. Gentleman has raised another important point. I accept that the Minister will do her best to answer, but I would have thought that on issues of that sort we might need some strong legal advice, perhaps from the Law Officers. The relationship between the European Court of Justice and the subsidiary court, if it is set up, is not clear. If the hon. Gentleman is right and the subsidiary court has the right to determine matters as well as do the fact-finding and devilling—let us assume that that is the case — is there going to be a right of appeal from a subsidiary court to the European Court of Justice? As far as I know, that is not mentioned.

Mr. Teddy Taylor: The hon. Gentleman has hit on a fundamentally important point. He should read article 32. Like the hon. Gentleman, I am sorry that we do not have any Law Officer present on a vital legal issue. It is staggering that on an issue affecting British courts we do not have a single Law Officer in the House. Will the hon. Gentleman accept that it states clearly that the right of appeal is only on a point of law. The hon. Gentleman will find that chapter 1, article 4, 32(d) refers to

"jurisdiction . . . to determine at first instance, subject to a right of appeal to the Court of Justice on points of law only".

We are setting up a new subsidiary court which can determine certain classes of issue on which there is an appeal only on points of law. This is a staggering new development in the way in which we determine legal action that affects us all. We are having to discuss it without the presence of any of the Law Officers. We should not proceed until a Law Officer is present.

Mr. Deakins: I leave that to the Chair and the Minister. The hon. Gentleman has raised another important point. The Single European Act makes it clear that there is a right of appeal on a point of law—

Mr. Maxwell-Hyslop: Only.

Mr. Deakins: Indeed. That is in line with the English hierarchical system of courts. One can appeal against sentence, but there is mainly an appeal on a point of law rather than on points of fact—

Mr. Marlow: On a point of order, Mr. Armstrong. I wonder whether this will be helpful to the House. This is a complex matter. Some hon. Members are lawyers, and understand this well, but even some of the lawyers feel that it is inappropriate to continue the debate until we have a Law Officer in the House, because I believe that

The First Deputy Chairman: Order. The hon. Gentleman knows that the presence of Ministers is not a matter for the Chair.

Mr. Budgen: Further to that point of order, Mr. Armstrong. Can you advise us how we can require the attendance of the Attorney-General or the Solicitor-General? Of course, we do not wish in any way to act improperly in raising this point of order, but if you were able to give us—I do not put it so vulgarly as "a nod and a wink"—a little informal guidance, it would help us in deciding whether it was worth the Committee's while to continue. We have a difficult—

The First Deputy Chairman: Order. The hon. Gentleman has been here long enough to know that when he raises such matters the Front Bench may hear, but the presence of a Minster is not a matter for the Chair.

Mr. Budgen: I understand, but sometimes one finds that the Front Bench benefits from the guidance of the Chair. One of the glories of our constitution is not only that it is unwritten but that sometimes its oddities and difficulties are overcome by a combination of friendliness and informality. If a little guidance were given by the Chair to the Front Bench, we might understand these things a lot better.

Apart from going for a cup of coffee, I have listened to most of the debate. As far as I can gather, we have had extraordinarily little clear exposition of the hierarchy of the courts. No doubt somebody could instruct us on that—either the Attorney-General or the Solicitor-General. It would be a good thing if that were done. I might be permitted to say, in a sexist way, that it would be a gallant act. It would be a demonstration of the sexist way in which the Law Officers come to the aid of the lady in difficulty—

The First Deputy Chairman: Order. I cannot refer to a point of order that was not a point of order. Let me reply to the hon. Gentleman's brief intervention. I am heartened by his confidence in the way in which the House is ready to receive my guidance, but the presence of a Minister is not a matter for me. I have no doubt that the Front Bench will have taken note of what has been said.

Mr. Marlow: On a point of order, Mr. Armstrong.

The First Deputy Chairman: Order. Is it on the same point of order?

Mr. Marlow: It is a different point of order.

We all have the greatest respect for my hon. Friend the Minister of State. She has a great deal of knowledge, and very great communicative skill, but I was wondering, as a result of the last few comments by my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), whether the Minister might like to come to the Dispatch Box and tell us how she intends to deal with some of the more intricate legal matters. Is she considering asking one of the Law Officers to join our debate?

Mr. Teddy Taylor: Further to that point of order, Mr. Armstrong. I should like to draw your attention to clause 2(*b*), which says that our constituents could be tried and punished. When the Government are proposing the approval of a new court from which there will be no appeal whatever, apart from on a point of law, and our constituents could be punished without the punishment being made clear, in respect of the protection of the general public and our rights and privileges as Members of Parliament, surely that matter affects our privileges as Members of Parliament. Should the matter not be referred to the Committee of Privileges? If we are asked to approve a court which can punish our constituents without any appeal, except on a point of law, a matter of privilege must arise.

The First Deputy Chairman: That is a matter for debate and the hon. Gentleman should raise it at the appropriate time.

Mr. Spearing: On a point of order, Mr. Armstrong. I think I may be able to help the Committee on this point. In evidence to the Select Committee on Foreign Affairs, the Minister, in answer to a question from her right hon. and learned Friend the Member for Hendon, South (Mr. Thomas) as to the Government's intention, said—

It being Ten o'clock, THE FIRST DEPUTY CHAIRMAN *left the Chair to report Progress and ask leave to sit again.*

Committee report Progress.

BUSINESS OF THE HOUSE

Ordered,

"That, at this day's sitting, the European Communities (Amendment) Bill and the Ways and Means Motion may be proceeded with, though opposed, until any hour."—*[Mr. Maude.]*

European Communities (Amendment) Bill

Again considered in Committee.

Question again proposed, That the amendment be made.

Mr. Spearing: I must apologise. I now understand that my point has already been raised during my short absence from the Chamber. However, it would be helpful for the Committee to know whether the suggestions from the European Court have been received and published. We could then make more progress.

Mr. Deakins: That is apparently not a point of order; I shall now continue my speech.

I was following up a point made by the hon. Member for Southend, East (Mr. Taylor) about the hierarchy of the courts. At present there is a single European Court of Justice whose judges can divide themselves into chambers, which I would regard as lesser courts within the scope of the European Court of Justice. Under the proposal, we will set up one, or more than one—and the precise number remains to be clarified by the Minister—subsidiary court whose relationship with the European

[Mr. Deakins]

Court of Justice is laid down in the article in the Single European Act. However, the scope for extending the number of subsidiary courts is unlimited.

Although I do not wish to alarm hon. Members unduly, it is possible to envisage the European Court of Justice being at the apex of a network of courts, many of which could be based in the individual member states of the Community.

Mr. Butterfill: Does the hon. Gentleman agree that there would be a growth of such courts only in response to demand? In other words, the number of courts would be increased only if sufficient cases were being brought.

Mr. Deakins: I do not deny the hon. Gentleman's point. However, the prospect of that happening scares the living daylights out of me. I am not considering bureaucracy; rather I am thinking about the web which will entangle us more and more and which will affect citizens within the context of an integrated western Europe. I do not want to go into that subject now, as we will debate that later.

Mr. Butterfill: The hon. Gentleman would not want to encourage delay through a long backlog of cases. Would he agree that it would be desirable to have an extension of courts in that circumstance?

Mr. Deakins: I want to make it clear that I want to reduce the number of cases and the scope of the European Court and limit it until we have changed the relationship between this country and the rest of the Community. I accept that, while the European Court exists and if article 2 is enacted, there will be scope for the European Court, in association with the Council acting unanimously, to extend the Community's legal system downwards. It certainly cannot extend it upwards because it would not be possible to go higher than the one single court at the apex. That is something which should worry the whole House.

What sort of people will be able to take cases to the subsidiary court? Will individual citizens of member states who are aggrieved at some action of their national Government which might or might not contravene Community law or at an action of a Community institution be able to go to the subsidiary court? There are plenty of lawyers here to advise us. At present, I suspect that the European Court is basically for the use of member states and institutions rather than individuals.

Mr. Butterfill *indicated dissent.*

Mr. Deakins: The hon. Gentleman shakes his head, so I assume—perhaps the Minister will confirm this—that individuals can go to the European Court. Will individual people — "natural persons" under the legislation — be able to go to the subsidiary court, and will a network develop of lawyers skilled in the processes of European law to advise people whether to take their cases to the subsidiary court or courts or to the European Court and what their rights are? This may appeal to the lawyers, but is there not a danger of building up a whole new legal network to advise people in Community countries?

Mr. Foulkes: Has my hon. Friend, with his fertile imagination, considered whether residents of the Channel islands and the Isle of Man, who are British citizens with British passports, could take cases to those courts? There is scope for further consideration there.

Mr. Deakins: My hon. Friend asks an important question to which, I confess, I do not know the answer, not merely because I am not a lawyer but because I am not skilled in the intricacies of this Single European Act. I hope that the Minister will take these questions on board.

Mr. Spearing: Is not the real position even more serious? The Minister's answer to question No. 181 in the Foreign Affairs Committee, to which my hon. Friend has referred, was that no lawyer and apparently no Government yet know the answer because, as the Minister made plain and as the text of the measure makes rather less than plain, there must be a request from the European Court of Justice. In other words, the answers to germane questions which the House should know before it decides on the amendment, let alone the Bill, rest not with the House or even with national Parliaments or the so-called European Parliament but with the request of the existing European Court of Justice.

Mr. Deakins: My hon. Friend makes his own point and will no doubt wish to make his own speech. I wish people to have whatever rights are available that they need, but if individuals can go to the subsidiary courts as well as to the European Court, matters will be further complicated.

To make a party political point, the next Labour Government are pledged to certain matters of economic policy which would not be acceptable to Conservative Members—import controls, for example—but which will nevertheless be put to the electorate.

Mr. Teddy Taylor: You cannot do that.

Mr. Deakins: The hon. Gentleman says that we cannot do that. Within reason, the British Government can do whatever they like. Whether they are breaking international obligations is another matter. Let us assume that there is a limit on the import of German motor cars. At present, an importer can go to the European Court for a declaration that the action of the British Government in imposing import controls was illegal and the court would no doubt pronounce on that. Clearly, it is more expensive to go to the full European Court. In the future, will an aggrieved importer be better advised to go to the subsidiary court? Would that court be able to handle the case, or would the matter have to be referred up to the full court? Again, we do not know and I am not at all sure that the Minister knows.

Mr. Butterfill: If a future Labour Government banned the import of German motor cars, it would be a direct breach of a treaty obligation into which this country had entered and in which a previous Labour Government played a major part. Presumably, if a future Labour Government wished to do something like that, they would abrogate the treaty rather than breach it.

Mr. Deakins: The hon. Gentleman's analysis is right, but I doubt whether what he suggests will happen in practice. I do not wish to stray from the narrow remit of the amendment, but some of my right hon. and hon. Friends may prefer to take their chance on that and remain within the EC. We shall return to this matter later.

Mr. Teddy Taylor: Does the hon. Gentleman accept that it is not only the Labour party but Conservative Members who should study the clause carefully, because under article 20 there is a commitment to converge and harmonise economic policies between member states? There will be nothing to stop any natural or institutional

person going to the court or getting the Commission to say that our economic policy, whatever it is, does not converge with the policies of other member states.

The First Deputy Chairman: Order. The hon. Gentleman should not go down that road until we reach that discussion.

Mr. Deakins: I certainly shall not, Mr. Armstrong. However, I accept the hon. Gentleman's point that the European Court is extremely powerful and that having a subsidiary court will make it even more powerful, for a reason which has not yet been advanced in the debate.

Mr. Butterfill: Why?

Mr. Deakins: I shall explain why. I mean that the court is powerful in spreading its tentacles rather than in arrogating to itself, which it cannot do, additional constitutional powers under the statute.

The European Court will get rid of all the mundane cases which the Minister tells us are clogging up the works. If the top European Court gets rid of all those mundane cases, will it not have much more time to deal with what it would regard as the important cases which, because the court is federalist by nature, will advance the cause of European union? More and more of the court's judgments and time will be spent pontificating on those matters and directing national Governments towards European union. At present, the court is being held back from doing that because it cannot push on to a subsidiary court the minor cases which do not raise major issues of principle of Community law and of the relationship between the institutions, the member states and individual citizens.

Mr. Marlow: Many hon. Members follow European affairs closely but others do not have a great deal of knowledge about them, and the debate is becoming increasingly intricate and based on the legal aspects—the court, its powers and powers between courts. As the hon. Gentleman has the Floor, will he, perhaps, catch the eye of my hon. Friend the Minister to see whether she will bring a Law Officer before us? Before we go much further, we need a full explanation of the rigours and meanings of the amendment and clause from a Law Officer?

Mr. Deakins: I take the hon. Gentleman's point, but it is entirely up to the Minister. I hope that the Minister, who, like me, is not a lawyer, is not relying solely on the legal department of the Foreign Office for this debate. In 1982, the Foreign Affairs Select Committee investigated the patriation of the Canadian constitution and we had legal advice from the Foreign Office legal department, not from the Law Officers, which ultimately proved to be completely wrong about the constitutional relationship between the United Kingdom and Canada. The constitutional advice from the three most distinguished constitutional lawyers whom we had as witnesses was that the Foreign Office legal department was wrong. One may argue that that is merely a dispute between lawyers. We produced two reports which were then produced, almost in evidence, and quoted by judges in the Canadian supreme court which upheld the view of the Select Committee on Foreign Affairs which was opposed to the legal advice of the Foreign Office.

10.15 pm

Mr. Cash: I happened to be adviser on the Canadian provincial case before I entered Parliament. I think that it was Professor Marshall's evidence in particular which clinched the whole matter and which I find rather extraordinary. I have a certain sympathy with what the hon. Gentleman said, but I must weigh that against the fact that there are many eminent lawyers in the Foreign Office and I would not like it to be thought that although I thought that they were wrong on that occasion——

The First Deputy Chairman: Order. We should get back to the amendments before the Committee.

Mr. Deakins: I promised the hon. Member for Lancaster (Mrs. Kellett-Bowman) that I would give way to her.

Mrs. Kellett-Bowman: Will the hon. Gentleman accept that my hon. Friend the Minister said that the staff cases to which he referred are not legally significant? They are time-consuming, but they are of great importance to the individuals concerned. Surely it is important that those individuals should get their justice more rapidly.

Mr. Deakins: Indeed. I accept entirely what the hon. Lady says. When the Minister gave evidence before the Select Committee on Foreign Affairs—she was not necessarily pressed on this point, although I was not present—she was unable to give details of the number of cases in recent years. Why there should be so many staff disputes which require legal action makes one's mind boggle. Britain has plenty of disputes between employers and employees but few end up in the courts. They are usually disposed of without the need for legal processes. There must be something wrong with the Community if, every time the staff have a dispute with the management, they have to go through the European Court of Justice. Think of the expense, apart from anything else.

I want to refer to article 188 of the treaty of Rome, which is mentioned in the Single European Act. Article 188 is short and says:

"The Statute of the Court of Justice is laid down in the separate Protocol."

That is annexed to the Treaty. The second paragraph says:

"The Court of Justice shall adopt its rules of procedure. These shall require the unanimous approval of the Council."

The Single European Act is seeking to insert into the second paragraph of article 188 some new words, which have already been quoted. I shall quote them again because it is important that the Committee should bear them in mind. They are:

"The Council may, acting unanimously at the request of the Court of Justice"—

that is more or less equivalent to what is there at the moment—

"and after consulting the Commission and the European Parliament, amend the provisions of title III of the statute."

But what article 12 of the Single European Act does not say is that the existing wording should be deleted.

This part of the Bill is very much a dog's breakfast. We are being asked to insert, where there are already two minor paragraphs, in article 188 of the Treaty of Rome, a new second paragraph without taking out the old second paragraph. I do not understand how that can happen legally or constitutionally or how those who drafted the Single European Act came to draft that. Some British people may have been involved, but they did not do a good job on that. I am not a lawyer but that is nonsense. How can something be inserted unless something else is pushed to one side, which I presume is the case, or replaced? Obviously the intention of the insertion in article 12 is to

[Mr. Deakins]

replace the second paragraph of article 188 of the treaty of Rome. It is not replaced by the wording of the Single European Act.

Finally, let me deal with the statute in the protocol on page 153 of the treaty of Rome with annexes which I have before me. That is the statute which can be amended by the delegated legislation which the right hon. Member for South Down (Mr. Powell) mentioned. That is concerned entirely with procedure. I have no objection to courts. In Britain they regulate their own procedure, subject to the Lord Chancellor. The European Court of Justice deals not merely with individuals but with member sovereign Governments and one needs to be careful about the mechanisms for changing rules of procedure.

Title III, article 21 of the treaty of Rome says:

"The Court may require the parties to produce all documents and to supply all information which the Court considers desirable. Formal note shall be taken of any refusal."

The next and important sentence reads :

"The Court may also require the Member States and institutions not being parties to the case to supply all information which the Court considers necessary for the proceedings."

That seems to be a fairly draconian provision, but at least it was put in after approval by the national Governments by way of ratification and is a treaty matter. It is embodied in Britain in the European Communities Act 1972.

We are now handing over our power to control such changes in the rules of procedure not merely to the European Court, but to any subsidiary future courts that it may set up, and those may be unlimited in number. Those courts will be unable to regulate their own procedure and will still have to do it by unanimous opinion of the Council, but the matter will no longer come to this Parliament. It will not come here in the form of a Bill and we shall be entirely dependent on the Government of the day — I make no party political point here — as to whether or not that Government say that such changes in the rules of procedure are matters that this Parliament representing the British people ought to be cognisant of and to have an opportunity to comment upon, even if we do not have a right to approve of them. I hope that at least we will have a right to approve as well.

Mr. Butterfill: If the hon. Gentleman reads article 4(2), which is the same as article 11(2), he will see that it is only for the purposes of necessary adjustments, necessary for the purposes of paragraph 1. Enormous safeguards are built into paragraph 1 and the hon. Gentleman is making a big fuss about nothing.

Mr. Deakins: I hope that the hon. Member is right. I am raising the issue because I am worried about it, but if I am wrong and the hon. Gentleman is right, I am sure that the Minister will take legal advice and put me right.

Mr. Marlow: The hon. Gentleman mentions one area in which the European Court can act and in which our courts cannot. That is to say, it can demand evidence from institutions or from national Governments within the Community. During my days in uniform I used to go to courts martial from time to time and there were various rules of evidence which were important for an individual's freedom and justice. One of those rules was that hearsay evidence was not acceptable. What is to stop this institution flipping through some late night sitting as part of the quid pro quo with other Community Governments over something about us getting back our rebate? Because things are bogging down in the Community and the court does not have as much power as it would like to have or because it wants to investigate this, that or the other, it could take hearsay evidence. What is to prevent that sort of monstrosity from taking place?

Mr. Deakins: I am not in charge of the Bill and I cannot answer the question posed by the hon. Member for Northampton, North (Mr. Marlow). The Minister must take note of these points.

Mr. Teddy Taylor: Does the hon. Gentleman accept the matter of rule changes having to be necessary? The only determinant of what is necessary is the Council of Ministers. There is no question of the Council being limited by paragraph 1 because it acts in accordance with paragraph 1.

Mr. Butterfill: Has my hon. Friend read the paragraph?

Mr. Taylor: Indeed I have, and I have it in front of me. The Council of Ministers, and only the Council of Ministers, decides what is necessary for a rule change. Neither the House of Commons nor member states have any jurisdiction. Rule changes are a matter for the Council of Ministers and nobody else.

Mr. Deakins: It is not just a matter for the Council of Ministers, and that is another of my objections to the provision in the Single European Act and therefore to clause 2 of the Bill. In future, unlike the present position under article 188 of the treaty of Rome, the Commission will have the right to be consulted and to put its oar in. So will the so-called European Parliament, but not this Parliament. This is another derogation of the sovereignty of this Parliament. I accept that it is derogation in a minor respect, but principles do not depend on measurements. The principle is vital and one which we should seek to safeguard. Perhaps the Minister will reassure us when she replies to the debate.

European Communities (Amendment) Bill

Mr. George Robertson: As this is a Committee stage I think that it would be appropriate for me to intervene briefly from the Opposition Front Bench.

Mr. Teddy Taylor: It is a carve up.

Mr. Robertson: I can tell the hon. Member for Southend, East (Mr. Taylor) that if there is a carve-up, it appears to be taking place among him and his colleagues. I am a free agent and, as the Opposition spokesman, I wish to make a brief contribution to the debate.

Mr. Teddy Taylor: Can the hon. Gentleman give the House an assurance that he has not been involved in any private discussion to keep out my hon. Friend the Member for Stafford (Mr. Cash) who is the only hon. Member with any direct experience of these courts? Bearing in mind the fact that we have not had one Law Officer here all day

The First Deputy Chairman: Order. I hope that the hon. Gentleman is not casting reflections on the Chair.

Mr. Teddy Taylor: No, not in any way.

The First Deputy Chairman: There has been no kind of arrangement as far as I am concerned.

Mr. Robertson: Who is called in a debate and who chooses to intervene are not matters for me. Some important issues have been raised in this important debate and it is only right and proper that all hon. Members who wish to take part in a Committee stage should have the opportunity to do so. I have sat here from the beginning of the debate and have listened carefully to all the right hon. and hon. Members who have spoken. I have as much right as any other hon. Member to make an intervention.

Mr. Bill Walker: I thank the hon. Gentleman for giving way and I hope that he will not think me out of order in saying that I am surprised that he is intervening at this a stage when some Back-Bench Members still wish to speak on these important amendments. Front-Bench spokesmen usually wait to hear what Back Benchers have to say before making their own comments.

Mr. Robertson: It is incredible that some hon. Members seem to be suggesting that they will be teaching their grandmothers how to suck eggs. I know that my hon. Friend the Member for Newham, South (Mr. Spearing), who is a good colleague of mine, has considerable experience in these matters and could teach me a great deal in areas of detail. I hope that he will be able to participate in the debate. I understand that my hon. Friend the Member for Newham, North-East (Mr. Leighton) — Newham plays an important part in our debates—and the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston), not to mention the hon. Member for Stafford (Mr. Cash), all wish to make contributions.

However, it is open to me to come in at any stage. There has been no concordat or agreement——

Mr. Cash: In view of the circumstances in which I find myself, I should like to put it on record that I shall not be engaged in a filibuster. I am here to make some serious points and I hope that the hon. Gentleman is not seeking to jump in to prevent me from saying a few things that are based on a small amount of experience in these matters.

Mr. Robertson: How can it be suggested that I, as an Opposition spokesman, am seeking to prevent a Conservative Back Bencher from speaking?

Mr. Teddy Taylor: The usual channels.

Mr. Robertson: I am not a member of the usual channels.

Mr. Taylor: The hon. Gentleman is so.

Mr. Robertson: I am not a member of any usual channels. I have sat through the whole debate and I wish to intervene at this stage.

Mr. Taylor: The dirty tricks department.

Mr. Robertson: No, there is no question of——

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Robertson: No. I intend to make, and have always intended to make, a brief contribution. A number of lengthy speeches have been made and I hope that we shall be able to exhaust the important issues involved in the debate. I hope that there will be adequate opportunity for everyone who wishes to participate in the debate to do so. I am sure that it is not the intention of the Chair or anybody else to curtail this or any other debate. There are another seven groups of amendments to come. I am sure that it will not have escaped hon. Members that if a deal had been done to prevent discussion of one group of amendments, debate could easily be prolonged on other groups of amendments.

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Robertson: I will give way for the last time.

Mr. Marlow: I am grateful to the hon. Gentleman. He has just implied that there are several other groups of amendments, and that we could debate this subject during our discussion of them. I am not quite sure why he said that. This group of amendments is massively important and concerns the whole judicial future of the United Kingdom. The surrender of sovereignty by some of our courts may be involved. After only four Back-Bench speeches, why does he, as Opposition spokesman, feel that it is time to intervene in the debate?

Mr. Robertson: It is obvious that the amendment was tabled by the hon. Member for Southend, East that he opened the debate, and that hon. Members have been free to speak at any juncture and to do so repeatedly. If the closure is moved after I or the Minister speaks, the Opposition will oppose it. There is no question of us being involved in any filibuster. I cannot believe that the Government would wish to terminate a debate on such an important issue at this stage.

Hon. Member after hon. Member has pointed out that, as the right hon. Member for South Down (Mr. Powell) said, we are in a fog about the Government's intentions in this crucial area. There is no explanatory White Paper, and no opportunity for the Committee to consider in detail some of these important issues, and so we have to rely on the reports of the Scrutiny committee. However, one such very important report was published only this morning, thus giving hon. Members no time to reach any conclusion. Consequently, we have to ask the Minister questions concerning fundamental points of legislation relating to our consitutional future, yet there are no answers.

10.30 pm

Hon. Members feel frustrated because questions are asked about an incredibly complicated Bill, which depends on the Single European Act being brought into force the Act itself being dependent on the treaties party to the EC — and yet they receive no real answer. My hon. Friend the member for Walthamstow (Mr. Deakins) made some detailed and valid points, yet they are not likely to be answered to the satisfaction of hon. Members. We are ill served by the institutions of Government when Parliament is faced by a major constitutional Bill, which was trailed as being a very significant and important Bill, and yet there is no explanatory memorandum of any consequence and no white paper to explain the legal and constitutional details that lie at the very heart of it.

We shall have to consider other aspects in some detail later.

Mr. Butterfill: Does the hon. Gentleman agree that it is also regrettable that no SDP Member is present for the debate?

Mr. Robertson: That may well be regrettable, but it is hardly surprising that those who protest the loudest about their conviction concerning the necessity for a united Europe and about their commitment to the ideal of the EC are rarely, if ever, here. Indeed, the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston), who is, I understand, the principal Front Bench spokesman for the Liberal party on Scottish and European affairs, is the sole representative of the alliance during many of our long and somewhat esoteric debates. Out of the massed ranks of the alliance, he alone should be congratulated on his commitment to the European cause

Sir Russell Johnston: I hope that I will be permitted to express my warm, heartfelt appreciation of those tributes. I speak on European, as well as Scottish affairs.

Mr. Robertson: As a former Scottish affairs spokesman I can see the link between Scottish and European affairs.

Mr. Budgen: Does not the hon. Member for Hamilton (Mr. Robertson) think, on reflection that he was rather ungenerous to the SDP. One of the courageous characteristics of the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) is the persistent way in which he expounds the need for greater expenditure in the EEC and the wonderful way that he regrets the niggardly limits on VAT-based expenditure in the EEC. He wants that to go to 2 per cent. as quickly as possible. Is the hon. Gentleman not ashamed of the way——

The Second Deputy Chairman (Sir Paul Dean): Order. I find it impossible to relate those remarks to the amendment.

Mr. Robertson: Those remarks were irrelevant to the amendment. One might say that the SDP was irrelevant to the amendment, to the Bill and to the House. If a representative of the SDP were present tonight, he and the hon. Member for Inverness, Nairn and Lochaber might not agree on thier view of the amendment. However, that should lie upon the Table.

We need to know whether we are talking about the European Court, which we know, or about a number of subsiduary, lower tier courts as part of the new structure. We must have a genuine answer. We have had an interesting debate so far. Who knows how interesting it will become?

I studied the Foreign Affairs Committee report to see whether I could find the answer. Both Government and Opposition Members have to rely on deliberations by the House of Lords and House of Commons Scrutiny Committees. One seeks in vain for the answers to important questions.

Mr. Spearing: In case there is any mistake, the hon. Gentleman should know that the Select Committee on European Legislation was not able to examine the Single European Act treaty, or anything relating to it, because its terms of reference did not allow it to do so. I add that, because it might be thought that we abrogated our duty to the House.

Mr. Robertson: I would not dream of suggesting that my hon. Friend abrogated his duty. I recognise the careful distinctions between the remits of the House of Lords and House of Commons Committees. The Government have made a commitment to examine our scrutiny.

Paragraph 30 of the Foreigh Affairs Committee report takes us some way down the road suggested by the hon. Member for Southend, East. I disagree with the emphasis that he chose for the debate, but he explored serious and important issues. There are some safeguards in the system. Some of the questions he asked deserve clear answers. He suggested that some of the court decisions might pre-empt decisions by the European Council, even where unanimity has been specifically inserted as a result of the negotiations at the Luxembourg summit. The court might, somehow, take the power away from the politicians and, by a process of interpretation, seek to impose upon nation states within the EEC obligations that they would not otherwise have chosen.

Paragraph 30 of the report states:

"Article 18 of the Single European Act provides (in new Article 100A(4) of the EEC Treaty) that a Member State may apply separate national provisions on grounds of major national needs, but"—

I emphasise this point—

"also enables the Commission or another Member State to take that Member State to the Court of Justice on grounds that it is 'making improper use' of this provision."

The hon. Member for Southend, East has hit on an important and far-reaching aspect of the Single European Act. If the Community did go in that direction, it would be against the very spirit of the Luxembourg agreement. Indeed, it would go against the specific guarantees that the Prime Minister gave the House regarding the way in which these degrees of unanimity on the reserved areas would operate.

Although we are now in the area of the purely hypothetical — and undoubtedly the Minister will say that we are hypothesising about something that will never happen and that, after all, we have the Prime Minister's guarantee that none of this will happen — the fact that the Committee reached that conclusion should at least make hon. Members, even those in favour of the reforms, stop and wonder whether this step is being taken without a full examination of the consequences.

The Select Committee on European Legislation in the other place last week produced a damning report, which may have alerted a number of hon. Members who may not have been aware of the importance of the Single European Act — that peculiarly named animal that is neither an Act nor is it single, although it is certainly European—

that something grave and important was happening, and in their speeches they made some of the points made in that report.

The Bill, the Single European Act and the many glosses put upon the issue by the Secretary of State and the Minister in the Committees before which they appear do not disclose the real changes in the law and their implications for the unwritten British constitution. That is a defect that the Committee is right to criticise and question. By the standard of the contributions that have already been made, and may yet be made, mine is a brief speech. I simply seek to endorse the view put by other hon. Members that we are being ill-served by the fact that there is not the detail, the information or the background to such an important issue to enable the Committee to reach a conclusion. The process of debate, which is the hallmark of this Parliament, underlined that with considerable force.

Before you returned to the Committee, Sir Paul, I was being accused of a variety of heinous crimes. I know that hon. Members on both sides still wish to make brief and relevant contributions, and I hope that in the process of doing so they will highlight the points which have been made already, which validly and rightly should be made.

10.45 pm

Mr. Cash: I participate in the debate as someone who is by no means an anti-European, as I have made clear on a number of occasions in previous debates. I believe that that has been acknowledged by my hon. Friend the Minister. I am in no sense engaged in a filibuster. I have spoken at length on occasion in other debates, but I have no intention of doing so now.

One of the great difficulties that faces the European Court of Justice, Britain and Parliament, is our lack of knowledge of European law and procedure. Britain has been a member of the Community since 1 January 1973, yet that seems to have had little impact on the ability or the determination of the various colleges of law to ensure that lawyers know what is going on. It is a matter of some concern to me — I made such a remark in an article which appeared in *The Times* today — that this deficiency should be put right. As the debate has shown, it is impossible for the House of Commons to know and understand the basis upon which it is considering these matters unless the principles of law and the basis of interpretation of the Community court are well understood by those participating in it. Unfortunately, they are not.

Although the European Community is a glazed-eye subject and is extremely boring to many, it happens, if I may catch the attention of Opposition Members for one second, to be a matter of considerable importance to the British people. When matters of this sort are being debated, it would help enormously if more of those who have had direct experience of the European Community were to participate to ensure that we have a proper discussion of the principles that apply, especially those that bear on the amendments that are before us.

Mr. Budgen: My hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman), who was an MEP, is in her place and she may well wish to help the Committee in that way.

Mr. Cash: That may be. Only time will tell.

I shall conclude by quoting from a case in which Lord Denning made the following statement:

> English courts have been exhorted to divine the spirit of a treaty and gain inspiration from it. If they find a gap they must fill it as best they can. They must do what the framers of the instrument would have done if they had thought about it."

When we are dealing with the interpretation of Community law, which has a direct bearing on our economy and industry, and when we have a debate which is as important as this one, we have the feeling, rather like the hunting of the Snark, that we are looking for something that hardly exists. In fact, we are debating issues of which the people, our courts and the House of Commons have little knowledge and I hope that my hon. Friend the Minister will take this opportunity to exhort those who teach our lawyers to take a more serious interest in the practical questions which arise so that we have a constructive approach to the European Community in this context.

Mr. Spearing: The hon. Member for Stafford (Mr. Cash) referred to knowledge by hon. Members of whom he is one — he knows something about the affairs of the Community — but, more importantly, knowledge of the citizens of this country who are subject to the laws of this House and those of the EEC. As he is a member of the Select Committee on European Legislation, of which I have the honour to be Chairman, I should underline that, much as the Committee might have wished, to provide a comprehensive view of the legislation — if it is not European legislation I do not know what it is — our terms of reference constrained us from doing so.

We did, in fact, produce a report on the impact of the Single European Act for parliamentary scrutiny, which was our concern. But we were not able to address ourselves to the issues we are discussing tonight — the introduction of what I hope we can call the lower tier European court, who should determine its terms of reference, its membership, who can go to it, and the penalties and adjudication that it should have.

The Select Committee on Foreign Affairs, in its limited time available, did not go far down that road. It established, as my hon. Friend the Member for Walthamstow (Mr. Deakins) has said, that the answers were not even available to the Government. I suggest that the major difficulty we have faced tonight has been a repetition of questions from hon. Gentlemen. The Government do not know the answers to questions which have been raised on a Bill which they introduced. That is the position at which the Parliament of the United Kingdom has arrived. It has arrived at that position as a result of the consequences of the European Communities Act 1972. We are not debating that Act tonight, and we are not debating the advantages or disadvantages of membership or continued membership. We are discussing whether or not the judicial powers of the EEC should be expanded into a lower tier court.

The House has not heard what the Government have said on the issue, surprisingly enough, in a command paper. The Government issued Cmnd. 9761 dated March 1986 called "Developments in the European Community July-December 1985". I shall read to the House what the Government said about the European Court of Justice. Paragraph 2.10 states:

> "On the European Court of Justice agreement was reached inter alia on new treaty articles providing power to set up a Court of First Instance. it is hoped that when this power is exercised it will enable the Court of First Instance to deal with

[Mr. Spearing]

staff matters and cases raising complex issues of fact, (especially competition and anti-dumping cases). The changes are designed to reduce the Court's heavy workload."

That does not suggest what we have gleaned tonight. A much bigger scope is envisaged than the modest clearing away of complex cases and dealing with staff. The sentence at the end:

"The changes are designed to reduce the Court's heavy workload."

is a little ambiguous. Whilst, it would relieve the workload of the European Court of Justice as such, it would not relieve the total workload of the courts of justice of the European communities, which is a different thing. The number of cases going for adjudication would almost certainly be greater. The figure may be three times that of the 1973 figure. If the figure was not greater, there would be no need to set up a lower tier of court to clear away the ground.

Mr. Marlow: Is not the best reference Professor Parkinson? Would he not say that we would not expand the operation, but the work that it did?

Mr. Spearing: The hon. Gentleman may be right. I think that Professor Parkinson's law is universal. There is another factor, which the hon. Gentleman has forgotten. It has not been mentioned much tonight. If the scope of the European Community were enlarged by definition — in other words, if the area over which it is given jurisdiction widened — the number of cases taken to the court would be likely to increase, even if that jurisdiction were of equal controversiality as that of the existing legislation. I understand that the position is different. Later, we shall discuss widening the scope of the European Community.

Lord Cockfield presented a Green Paper containing 300 regulations in the appendix. Those regulations are waiting to descend on us when the internal market is perfected between now and 1992. I hazard a guess that it was difficult to formulate those regulations and that they are probably more controversial than those that we have already considered. I suggest, therefore that there might be more litigation than we already have. Not only will the scope of EEC legislation be wider but the amount of litigation that it throws up may be greater.

Mr. Cash: Does the hon. Gentleman accept that there is no opporunity to appeal against a decision by the Court of Justice? The court's decisions are final, which raises certain peculiar difficulties which may be overcome in part by the provisions of this article. As I said before, the jurisdiction of the Court of Justice is effectively being supplemented. The courts are tied to what the treaties allow them to do and the article provides an opportunity to expand their jurisdiction. Does the hon. Gentleman accept that the jurisdictional provisions of the treaties have been observed as follows:

"No international tribunal has ever been equipped with so varied a jurisdictional competence as has the Courts of the European Communities".

The court has, in fact, a wide degree of competence.

Mr. Spearing: I understand what the hon. Gentleman is saying, but he should be careful. As I understand it, this is not an international organisation in the normal sense of international treaties. All these treaties are supra-national, which is very different. I think that the hon. Gentleman is suggesting that, because there is no appeal against a decision of the European Court of Justice, there should be a higher level of court, a sort of House of Lords in Europe — as well as the lower tier which we are discussing. The hon. Gentleman should be careful because he suggests creating possibly three tiers of European courts of justice. By the very nature of the ongoing legislation from the European Community, those tiers would, I suggest begin to absorb an increasing proportion of matters that are justiciable in the United Kingdom. It may well be that aspect that has caused a certain flurry in the legal professions and in the columns of *The Times*. An expansion of European law within the legal system of Britain would begin to have severe repercussions on the legal professon and on those who need to take matters to the lower tier court.

I shall hasten on because my hon. Friend the Member for Newham, North-East (Mr. Leighton), who is Chairman of the Select Committee on Employment and a frequent participant in European discussions, may wish to catch your eye, Sir Paul. I should like to ask the Minister a number of questions in addition to those posed by the hon. Member for Southend, East (Mr. Taylor). Under article 4 of the Single European Act, proposed article 32d of the treaty of Rome states that it is the request of the Court of Justice that there should be another court. Will the Minister confirm that the terms and conditions of the lower tier court will be created not by the European Council but by the Court of Justice acting — uncharacteristically, I should have thought, as a court — in effectively an executive capacity? The Court of Justice, following decisions agreed unanimously by the Council, is acting at least in a semi-executive role in producing the regulations by which it will administer the lower tier.

Article 4(3) states:

"The members of that court shall be chosen from persons whose independence is beyond doubt and who possess the ability required for appointment to judicial office".

Since there will be no appeal from these courts, other than on a point of law, perhaps I am inaccurate in calling it the lower tier. It is the court of first instance, and may be the court of last instance for many people or bodies. I do not know how far the natural human body, which was mentioned earlier extends. Does it extend to trade unions, employers' organisations, manufacturers' associations or to associations of those engaged in some sorts of retail trade? All those bodies will be heavily involved in the avalanche of harmonisation to which the House may soon be subjected, and may have recourse to the courts.

11 pm

The Minister must tell us — the Government may not decide this, but she may have heard a whisper from the Court of Justice — what the court intends. If there has been no information from this great court to Her Majesty's Government, we should adjourn the debate and not proceed with the Bill. If we do not get firm replies about what is intended, it would be improper for us to proceed with this part of the Bill. If it is improper for us to proceed with this part of the Bill, that must be true of the entire Bill.

Paragraph 4 states:

"That court shall establish its rules and procedures in agreement with the Court of Justice."

I presume that that means that the lower-tier court shall establish its own rules, provided that the Court of Justice agrees. It is yet another example of self-legislation by the

courts, not even under the control of the Council of Ministers. It does not say that it shall be subject to unanimity, only that it must be approved by the Court of Justice. The lower-tier court will establish that in the first instance.

Mr. Butterfill: The hon. Gentleman should have read the next line, which states:

"These rules shall require the unanimous approval of the Council."

Mr. Spearing: The hon. Gentleman is right, but the generation of such proposals lies entirely with the second-tier court. It cannot be initiated by the Council of Ministers or, surprisingly, by the Court of Justice.

If we translated that position to the United Kingdom, it would be extremely strange. The administration of justice here stems from statutes passed in the House, to which the High Court of Justice and lower courts are subject, save only for the common law. This is almost the reverse.

As a London Member of Parliament, I frequently show parties of visitors from schools and, alas, nowadays, the unemployed, round the Palace of Westminster. When we pass through the Royal Gallery, I explain that judges come there once a year. I ask them "What do you see in courts?", and they say, "The royal arms." I say, "Yes, that is the King's court. The King or the monarch dispenses justice. The courts in this land are the courts of the Crown, and the judiciary which is responsible alone to the monarch who gives royal assent to statutes passed by the House."

Some time ago — I apologise to the right hon. Member for Old Bexley and Sidcup (Mr. Heath) for not giving him notice that I would raise this point, but he is big enough to take it — when the European Communities Bill was going through the House, the right hon. Gentleman, then Prime Minister, made a speech, reported in *The Times*, to the effect that the position of the Queen would not be affected. I read that with some incredulity, because any first-year law student — I have not been one, but I understand that they consider the British constitution as a starting point — knows only too well that Britain's laws, at least until 1973, were made only with royal assent or in regulations by the Crown in Privy Council. Justice and courts were under the jurisdiction of the Monarch. After 1973, in accordance with the Act, that changed. The Monarch and the Crown was no longer central to our system of legislation expenditure, administration and justice. In all those aspects the Crown was short-circuited. Laws were imposed on this country, or at least were accepted through the medium of that Act, which came directly from Brussels. They did not pass through this Chamber and they did not need the Royal Assent. Therefore, far from the Queen not being affected, she and her heirs and successors, as long as the Act is on the statute book, will be bypassed. We then had the position, extraordinary as it may seem, of the Prime Minister not knowing the basic fundamental constitution of the land.

I would suggest that we are now faced with the second stage of that constitutional change. We are now setting up a second tier of courts to which the citizens of this land, and perhaps corporate bodies, will have first recourse, which are not under the aegis of the Crown, will not have the Royal Arms above them, will not be subject to the statutes of the House or to its determination. They will not even be subject, as we have seen, to the chain of accountability through the Council of Ministers. The fact that that is so has been amply demonstrated today in debate by the fact that so far — the Minister has yet to speak — she and all the publications of the Government have not explained how it will work.

Mr. Deakins: My hon. Friend keeps referring to the European courts in plural, not just the European Court of Justice and its new subsidiary court, but the chances of several subsidiary courts being established. I believe that in that view he seems to have the support of Her Majesty's Government. They have chosen wording in clause 2 of the Bill which refers to "any court" under the European Court of Justice whereas in the Single European Act it merely refers to "that court". I do not know if my hon. Friend can answer, but I hope that the Minister can say why the Government have taken it upon themselves to go beyond the terms of the Single European Act in making provision for any European court when there is only one and there can be only two under the Single European Act? Why do they not specify the subsidiary court in the terms of amendment No. 1 in the name of the hon. Member for Southend, East (Mr. Taylor)?

Mr. Spearing: I am grateful to my hon. Friend for raising that issue. I shall now try to choose my words carefully. It ought not to be necessary because if we had had it spelt out in a White Paper one would have thought that most of this debate would have been unnecessary and the Government's concern over the time factor would not be as great.

As I understand it, the word "court" in the singular implies a level of judicial authority. Let us take the High Court in the Strand. It has three divisions, but it is the High Court, singular, although we all know that it sits in multiple in many courts with many divisions. I believe, from what I have heard and hope to see ere long, that in Luxembourg the European Court sits, but it sits in multiple chambers with multiple numbers of judges and could, under the existing European statues, multiply itself, provided the Council voted the money, ad infinitum. For some reason, it has not been chosen to exercise that solution to the problem of workload which the Government showed us in their White Paper. Even if it had 20 or 30 courts, in the normal everyday sense of the word, taking 20 cases at one time, it would still be the European Court of Justice.

I answer the question asked by my hon. Friend the Member for Walthamstow. When I refer to the European Court, I refer to at least two levels—the present level of what is described as the European Court of Justice in the Single European Act, and what I have dubbed the lower tier court, which could nevertheless sit in multiple. This is a demand-led issue, according to the number of cases that has to be met. I could foresee a lower tier European court on the northern circuit, perhaps calling at London, Edinburgh and Copenhagen. Perhaps there would be a circuit based on the Franco-Belgian tradition, calling at Luxembourg, Belgium, Paris, Strasbourg and Bordeaux. We must not forget our Spanish friends—the Lusitanian tradition, and the tradition of the Iberian peninsula, with the court perhaps calling at Lisbon, Madrid and Rome. There are our Greek friends as well. There could be many multiple courts. My hon. Friend is right. Clause 2 says just "any court attached thereto". It is wide open. There is nothing to prevent all that happening under the Bill.

Mr. Marlow: The hon. Gentleman is coming to a very important point. The debate has been brought about because of the Single European Act, but for some reason best known to the Government, the Bill is much more widely drawn. Is it not right that there is nothing in the Bill to stop the European Court subsuming national courts? If the hon. Gentleman knows of anything that stops that, I should be relieved to know it. Perhaps individual areas of policy could be subsumed, but under the Bill as it is written not the Single European Act – the European Court at a later stage could totally subsume national sovereign courts of the United Kingdom and other countries.

Mr. Spearing: I shall come to that.

I should like to take up what the hon. Gentleman says. The Government have not explained anywhere that I have seen why the terms of the Bill are apparently that much wider than those of the Single European Act. But is there anything in the Single European Act as drafted that would prevent the rather fanciful Gilbertian picture that I painted? The hon. Member for Southend, East (Mr. Taylor) may know better, but I suggest that there is not. Therefore, we must ask ourselves whether there is nothing in the Single European Act article to prevent it. Is there something that the Government know that we do not, so they have drawn the clause so wide? If that was not envisaged, why did they put it at that width? The only suggestion that I can offer is that they did what parliamentary draftsmen and wise Ministers do. They said, "Let's make it wide enough so that we do not have to have legislation again," but that is not a good reason.

Mr. Teddy Taylor: Apart from the extension to which the hon. Gentleman refers, does he accept that the crucial extension of the work of the court under the clause is the extra powers of interpreting the new Single European Act – matters such as tax harmonisation, over which there are no powers at present? The court now has the ability to make determinations on those matters. Does the hon. Gentleman further accept that that major extension of the work of the court is in the interpretation of the new clauses that include the convergence of economic policies, tax harmonisation, environment, technology and many other issues?

Mr. Spearing: The hon. Gentleman anticipates what I was about to say. I was about to refer the House to the fact that Title VII on page 17 of the Single European Act, Cmnd. 9758, introduces for the first time, specifically, areas over which the European Community has legislative rights. At present the legislative rights of the European Community are restrained within the terms of the Treaty of Rome. They can be excepted only by use of the existing article 100. That article states that any matter which affects the operation of progress of the Common Market requires unanimity. There has been much discussion within the Community as to whether the Common Market requires expansion in that area. In fact article 100 of the treaty states that

> "The Council shall, acting unanimously on a proposal from the Commission, issue directives for the approximation of such provisions laid down by law, regulation or administrative action in Member States as directly affect the establishment or functioning of the common market."

11.15 pm

I would draw the House's attention to the words "directly affect". There has been much argument as to how far the article can be pushed. Regulations arise from the Commission to the Council on matters such as the environment, public health, conditions in slaughter houses and about the conditions of health for workers and so on, and it has been said that in order to obtain a Common Market there must be common regulations on a wide range of issues. Others have said that that is pushing things too far. Until now, as we know so well, from the trailers to this debate, any one country in the 12 can say "No dice". The country does not even have to say that the matter affects the national interest, it need only say that it does not agree and that the matter goes too far. As the matter must be unanimous under article 100, it is finished.

The controversy about support at that stage is truncated. If the Bill is enacted, we will be in a new ball game. The House will consider article 100A later, together with article 100B – the latter being a goad to speed up 100A and is a long stop provision. We will then have to face the establishment of the internal market by 1992. That is presaged by the Cockfield White Paper and there are 300 draft regulations in waiting.

As I said earlier in an intervention, by definition the 300 regulations are likely to be controversial. If they were not, they would already have been passed.

Mr. Butterfill: Does the hon. Gentleman agree that the creation of the internal market is likely to benefit this country? The internal market in services, especially the financial services, is something that we have been prostrated on for some time. There have been many non-tariff barriers to trade against our exporters and the purpose of the creation of the internal market is to deal with those problems.

On the point which the hon. Member for Newham, South (Mr. Spearing) raised about the court being different from any other court that we have previously known, does he not agree that that applies to any court of reference that arises out of a treaty obligation? It is no different from our agreeing to refer a matter to the International Court at the Hague in the past. We are only subject to the court as long as we are subject to the Treaty. This Parliament is sovereign and can de-ratify or renege on the Treaty at any time it wishes.

Mr. Spearing: I do not wish to proceed too far down that road, as it leads outside the realm of litigation. I want to keep my remarks within that realm and that brings the matter within the scope of the debate. However, there are widely differing views on the matter. It is true that the Government have said that the expanding internal market will be beneficial to this country in spite of the £10,000 million trade balance in manufactures. When the Minister was asked about that in Committee she said that those trends existed. Therefore, there is some doubt whether the expansion of the internal market is beneficial. But it is undoubtedly true that the Government say that whatever the form of harmonisation, it is advantageous to Britain so long as it brings in market forces and allows them to move freely over the EC. The hon. Gentleman may agree with that view, and it is certainly the view of the Front Bench, but I do not think that it carries universal agreement among Conservative Members. A modicum of scientific observation and a little statistical analysis might have called that into question.

The Government are going ahead with that area of regulation which will automatically require and produce a vast amount of litigation.

Mr. Teddy Taylor: Article 130B title V commits member states to conduct their economic policies in such a way as to reduce disparities between the various regions. Does the hon. Gentleman agree that it would have been easy a fortnight ago for the Cornish tin miners to have taken the British Government to the European Court, saying that the Government were not applying that policy? Will not this Act massively extend the work of the European Courts because for the first time they are being given the right to make judgments on the economic policies of member states?

Mr. Spearing: I shall come to that area of litigation in a minute, but first I should like to put to the House another area.

I understand that some of the regulations now under discussion include such matters as the harmonisation of income tax and of excise duties on wines, spirits and beers. That is under the jurisdiction of the internal market council, and I am not sure whether it has reported fully to the House. When regulations are passed in that sort of tender area, I like the hon. Friend, can imagine people, for example, with high salaries subject to enormous differentials of pay—for the sake of cross party amity I shall not mention some current personalities who are earning high sums—investing money in lawyers to take their case to the European Court. They do not want their income tax to be harmonised to their disadvantage. It may also be to the advantage of corporate bodies to take their case to the court.

Title VII is headed "Environment" and article 130R, paragraph 3, states:

"In preparing its action relating to the environment, the Community shall take account of:

—available scientific and technical data;

—environmental conditions in the various regions of the Community;

—the potential benefits and costs of action or of lack of action;

—the economic and social development of the Community as a whole and the balanced development of its regions."

That includes tin mines. I can see some litigious persons looking at some regulation and saying, "But the Government did not take that into account," and going immediately to the court. Why not? The environment is a minefield for any Minister of any Government in any country. That is just one group.

What about research and technological development which is worth much more money? There is a whole batch of new articles to the Treaty of Rome, 130F, 130G, 130H, 130I and 130K to 130Q, which relate to statutory arrangements for framework programmes, and to the implementation of multiannual framework programmes and of research, technological development and demonstration programmes. We already have such arrangements, but these are being written into the statute.

Mr. Marlow: The hon. Gentleman drew the Committee's attention to title 7 on the environment, paragraph 3, the last sentence of which says:

"The Community shall take account of . . . the economic and social development of the Community as a whole and the balanced development of its regions."

One of the greatest problems that the Government have when they want to build, for example, a road, is the great planning inquiries. Programmes can be held up for months or years on end.

It is possible under this title that if a motorway were postulated between, say, Cardiff and Edinburgh, the Italians could go to the European Court and say that it was unfair and would be advantageous to us and that they wanted one in Italy. Surely there will be an immense amount of litigation.

Mr. Spearing: I am grateful to the hon. Gentleman. I am working alphabetically backwards in the litigation litany in drawing the attention of the House to new articles of the treaty of Rome—130A, B, C, D, and E. They relate to a heading which I find intriguing—"Economic and social cohesion". Whether one can legislate for that I doubt, but Article 130C says:

"The European Regional Development Fund is intended to help redress the principal regional imbalances in the Community through participating in the development and structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions."

I suppose that that is a fine aspiration, but many of the articles will clearly give rise to increasing sensitivity to litigation of the very sort with which the lower tier court was presumably designed to deal. I think that the Government said that it was "of considerable complexity".

My point is that there will be greater need of these lower tier courts, that they will not be courts of her gracious Majesty

Mr. Moate: Will the hon. Gentleman give way?

Mr. Spearing: I regret that I must continue.

Despite being a great impact on many British citizens and many corporate interests, it will not be possible for the House to protect those interests adequately because not only have we not got complete control over legislation—I make no point about that tonight—but we have not even got control over those who will create, run and cause regulations to be made for these new courts.

The Second Deputy Chairman of Ways and Means: Mrs. Lynda Chalker.

Mr. Leighton: On a point of order, Sir Paul. I hope that the Minister is not seeking to wind up before other members of the Committee have spoken.

The Second Deputy Chairman: The Minister has risen and I have called her. Mrs. Chalker.

Mr. Bill Walker: On a point of order, Sir Paul. I draw your attention to the fact that the proposer of one of the amendments that we are debating is not here. I am the second proposer of that amendment and I trust that, because you have quite properly called the Minister, that will not debar me from speaking on that amendment.

The Second Deputy Chairman: Order. It is a matter for the discretion of the Chair whom the Chair calls and it is customary, when Ministers rise, that they should be called. Mrs. Chalker.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): After over three and half hours of a wide-ranging debate, I may be able to outline why the court of first instance has been included in the Bill and perhaps clear up some of the matters resting in the minds of hon. Members.

First, the proposal for a court of first instance reflects what has been a threefold increase in the work load of the European Court over the past 10 years. The number of cases brought before the court rose from 297 in 1983 to 433 in 1985. More than half of those cases were about staff terms—promotion, conditions of employment, salary

[Mrs. Lynda Chalker]

increases and so forth. They were not the sort of case which had normally been associated with the European Court of Justice, but they rightly went to it.

11.30 pm

The proposal is that the court of first instance will do no more than relieve the Court of Justice of some of the existing burden of work. That is exactly what was said in Cmnd. 9761, published in March, in paragraph 2(10) on page 9, and as I replied in giving evidence to the Select Committee on Foreign Affairs in paragraphs 180 and 181.

The court of first instance will be attached to the European Court of Justice. It will hear certain classes of action brought by individuals or companies and its decisions will be subject to a right of appeal to the Court of Justice. It will not hear cases brought by member states, nor will it hear cases brought by the institutions of the Community. Such cases will go to the European Court of Justice. It will not take on new work and it will not have new powers. It will be there to deal with some of the detailed probing that is necessary in cases that now come to the European Court of Justice.

I was quite right to say in response to questioning in the Select Committee on Foreign Affairs that we await precise proposals from the European Court of Justice about the kind of work that the court of first instance could most suitably take on. Because it does not take on new work and will not have new powers, its work will be limited. We anticipate that the European Court of Justice will probably recommend that the court of first instance should take on the sort of cases that I have described—those which involve time-consuming fact finding and those of minor legal importance. Such cases will include applications about employees' terms of service with Community employers which currently account for half the cases that come before the Court of Justice. These sometimes take the form of disputes between a Community institution and one of its employees who may feel that he was not receiving the pension to which he was entitled under staff regulations.

Other work that may be devolved to the court of first instance is in the commercial field, in particular competition and anti dumping cases, where unravelling the complicated issues of fact often entails a disproportionate amount of time and can be done by a subsidiary court of first instance working directly to the European Court of Justice.

Sir Russell Johnston: Why did the Government not wait to receive from the European Court of Justice a detailed proposal about exactly what the court wanted before agreeing to go ahead?

Mrs. Chalker: I can only tell the hon. Member for Inverness, Nair and Lochaber (Sir R. Johnston) that it was made quite clear, although I was not in this job at the time, that the European Court of Justice gave, as I have just given, examples of the issues that it wanted considered. I do not know why, but as far as I know, the issues have not been put in formal terms. I understand that they are no different from the terms that I have described.

Mr. Leighton: Will the Minister give way?

Mrs. Chalker: I will not give way. I have waited a long time to try to clear up matters. I shall now do that. If other questions are asked, so be it. Quite understandably, some hon. Members have expressed concern at the provision in the Single European Act which empowers the Council, acting unanimously at the request of the Court of Justice, to amend title III of the court's statute to meet changing needs. Hon. Members anxiety is that this could be a constitutional innovation allowing the Council to amend a protocol to the treaty without reference to the Parliaments of member states. That is a mistaken view. Article 3 of the protocol of the statute of the European Court of Justice deals only with the procedures of the court. It does not deal with substantive powers or with its composition or organisation. The provision in article 12, which refers to the EC treaty, simply allows the court's procedure to be amended in the Council by unanimity. That would make it easier and quicker to produce procedural reforms, but not substantive reforms or reforms of composition or organisation. It is severely limited.

The substantive powers of the court, about which hon. Members were rightly concerned, are laid down in the EC treaty and not in the protocol. We have been speaking only of the protocol. Those substantive powers of the court can be changed only by treaty amendment and that would require the unanimous agreement of the member states and the consent of national Parliaments. The fear in that regard does not hold good.

We are not proposing a constitutional innovation. Articles 165 and 166 of the EC treaty provide that the Council of Ministers, acting unanimously on a proposal from the European Court, can already increase the number of judges and advocates-general and make consequential amendments to the court's statute.

A number of hon. Members referred to the words "any court" in clause 2. I fully understand why the phrase may have seemed a little strange on first reading. The Single European Act does not establish the court of first instance. It enables the Council, acting unanimously, to establish such a court on a proposal by the European Court of Justice. As the hon. Member for Inverness, Nairn and Lochaber pointed out, no such formal proposal has yet been made and the Council of Ministers has not therefore been in a position to take a decision. We shall consider a decision only when a formal proposal is made. Anyway, a decision could not be taken until the Single European Act was in force throughout the Community. I am not a lawyer, but I am told that it is premature in legal terms to talk about "the court", as the court of first instance does not yet exist. Therefore, the court does not have a name and the legal terminology "any" is the correct term. The only court for which the provision will be used is that provided for in articles 4, 11 and 26 of the Single European Act, whatever form it takes.

The word "any" also covers the possibility that the European Court of Justice may propose a single body or, for example, two specialist chambers, one for staff cases and one for preliminary fact finding in commercial cases, which would be separate, but similar, exercises.

Mr. Marlow: My hon. Friend started by saying that she visualised only one further court being spawned by the European Court, but now she says that there might be two courts. Does she deny that, given the way in which the Bill is written, there could be a proliferation of courts at a later stage and that the House would be unable to do anything about it?

Mrs. Chalker: Yes, that could be possible, in order to speed up the work of the court and to get through the time-consuming but necessary fact-finding. However, the thought and the intention have always been to establish a sensible and clear manner of proceeding—not one that grows in the way that my hon. Friend fears, but one that is decided by the Council of Ministers, acting unanimously. We have the very safeguard for which my hon. Friend asks.

Mr. Teddy Taylor: Although my hon. Friend believes that there is protection in the unanimity of the council, does she accept that there is genuine concern about a proliferation in the number of courts. Might not the answer be to amend clause 2 so that these agreements by the Council of Ministers are subject to the approval of the Parliaments of member states just as most of the regulations promoted by the Council of Ministers are? Would that not be a useful amendment to the Bill, and will the Government suggest it to the Council of Ministers?

Mrs. Chalker: I shall look again at what my hon. Friend has said. However, because we are talking about procedures and not about the composition, organisation or substantive powers, I think that my hon. Friend is unnecessarily concerning himself.

Mr. Budgen: Will my hon. Friend give way?

Mrs. Chalker: I should like to get on, because we have had a long debate and the hour is late. I should like to comment on the points that have been raised.

When my hon. Friend the Member for Southend, East (Mr. Taylor) opened the debate, he commented on the provision in article 12. I have already explained that the provision in article 12 simply covers the court's procedure. We are seeking to make it easier and quicker to introduce procedural reforms. But I assure him that substantive changes of the Court's powers will have to go before national Parliaments. There is nothing in the Single European Act or in this Bill that alters that in any way. I hope that my hon. Friend will realise that the court's procedure is largely a technical matter. It is unnecessary for it to go through the full treaty amendment procedure. It is the unanimity requirement that constitutes the safeguard in the unlikely event that a proposed change of procedure would adversely affect the interests of member states, or individuals or bodies within those member states. That is the safeguard. I am not prepared to accept the amendment, because it would change the substance of the Single European Act, as it was agreed by the Heads of Government. However, I take on board all that my hon. Friend said in this somewhat long debate. I understand that he is asking reasonable questions—as he sees them—and although I may not agree with him, he has every right to ask them.

I was also asked about several items that I have not covered previously. My hon. Friend the Member for Southend, East asked about the size of the staff of the court of first instance and its cost. He was concerned that it should not grow. Indeed, I share the concern that staff numbers should not grow out of proportion. He cited figures for employment in the Commission, but he took a very different situation from the one facing us. We are now a Community of 12, and we are not likely to be other than a Community of 12 for as far as anybody can reasonably foresee.

I cannot give my hon. Friend the Member for Southend, East estimates until the European Court of Justice makes proposals for the terms of reference of the court of first instance. But because those terms of reference will be determined by the Council acting unanimously when it decides on the establishment of the court of first instance, it will be possible for the member Governments, acting together in the Council of Ministers, to satisfy themselves on the level of staffing and costs before agreeing to the establishment of such a court. I assure my hon. Friend that that will be done.

Mr. Budgen: I have taken a slight interest in Turkey's application to join the EEC. As it happens, I obtained a copy of tomorrow's edition of the *Financial Times*. On, I think, page 3 there is a large article about the new application from Turkey to join the EEC. There is a great deal of vague and friendly talk, particularly from the French, about Turkey. From her position of great importance and power, my hon. Friend has, in an important part of her speech, blocked the way for Turkey. Those of us who wish to see an on-going, generous, open-armed EEC have great hopes for Turkey. We want to draw attention to

The Second Deputy Chairman: Order. I find it difficult to relate that intervention to the amendment.

11.45 pm

Mr. Budgen: But my hon. Friend denied Turkish application for membership as an important part of her argument. Since she speaks with enormous authority and, plainly, from a prepared brief, we should have an immediate statement so that those in Turkey who are preparing their new application may know whether the Minister speaks with the authority of the Prime Minister and the Government.

The Second Deputy Chairman: Order. I hope that the Minister will not be tempted to stray out of order.

Mrs. Chalker: Whatever my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) says, he will not soft soap me into stepping out of order.

I was trying to reply to my hon. Friend the Member for Southend, East. I have already covered what he said about article 12 and rule changes. He asked how often rule changes could be made. It is for the Council of Ministers to change rules when necessary. I cannot imagine that the court would wish to have its rules constantly changed. There would have to be good reasons for the Twelve, acting together, to change the rules. My hon. Friend also asked about the increasing power of the European courts. There is no increase in their power.

A number of hon. Members, including the hon. Member for Walthamstow (Mr. Deakins) asked about articles 4, 11, and 26. Three articles are required because the European Court of Justice acts for the three treaties. Article 4 amends the treaty establishing the European Coal and Steel Community; article 11 amends the EEC treaty in identical terms; and article 26 amends the European Atomic Energy Community treaty to provide for the court of first instance. All three treaties must be amended in this way because the European Court has a single statute and rules of procedure, but they cover all three Communities, so the amendment must affect all three. I hope that that helps the hon. Gentleman.

[Mrs. Chalker]

I was asked about the unusual phrase, "natural or legal person". A "natural" person is an individual, I am told, and a "legal" person is a body corporate — mainly companies, but it does not apply to institutions or to member states. That means that as defined in paragraph 1 of article 32 of Chapter I of title II of the Single European Act, we are dealing with individuals or bodies corporate, not with member states or institutions.

Mr. Foulkes: Can the Minister deal with a point with which I have been waiting for her to deal since 7 o'clock this evening?

Mrs. Chalker: We did not start until about a quarter past.

Mr. Foulkes: I was anticipating the hon. Lady's speech, of course. Indeed, I thought about it this morning.

Will the Minister now deal with what my hon. Friend the Member for Walthamstow (Mr. Deakins) said about individuals who are resident in the Channel Islands or the Isle of Man but who are British citizens and have British passports? Will account be taken of them?

Mrs. Chalker: I am not sure whether the hon. Gentleman has someone extra special in mind, but if he is a British citizen he is covered, as any other British citizen is covered, if he has a case that is within the rules.

The hon. Member for Walthamstow asked whether any natural or legal person could bring a case before the European Court of Justice within the treaty rules. Under article 173(2) he could — the nationality or employment provided for in the rules are immaterial in that case. Whether a case would go to the full European Court of Justice would depend not on the status of a person as an individual but on the subject matter of the case and whether it should be allocated to the court of first instance or rest with the European Court of Justice. Those details still have to be settled by the Council of Ministers, acting unanimously.

I was asked a series of other questions about cases that have been before the European Court of Justice and how compliance had been insisted upon. Once the court had ruled on the distribution of political funds — the example quoted — and that the matter was outside the powers of the European Parliament, it was for the European Parliament to implement the judgment. I understand that the European Parliament is now considering what to do. The point is that once the European Court of Justice has ruled, it is for the body on which it has ruled to take the appropriate action. If it does not do so, there may be a further intervention by the court, but that would depend very much on the case.

The hon. Member for Walthamstow asked about chambers of the court rather than the court of first instance, and I understand why he raised that point. The European Court of Justice already divides into chambers, but it is still swamped by the very many cases and the intricate detail of them. What would not be done by creating additional chambers, as the hon. Gentleman suggested, would be to dispose of the enormous work load on the judges of the court. It would make much more sense to deal with the additional work load by determining a particular class or type of action that could be dealt with separately, such as unravelling all that detail. I am sure that the hon. Gentleman knows as well as I do that in some constituency cases we wish that there were someone to unravel the detail before reaching a conclusion. It is something not unlike that.

The important thing is that the European Court of Justice will be free to devote itself to cases that are brought by member states or Community institutions and not widen, as hon. Members rightly feared, the scope of the cases coming before it.

Mr. Spearing: I am grateful to the Minister for giving way because she has been patient. It is an important point on which there is some ambiguity. We can understand a lower court preparing a case and unravelling the details before it goes to the higher European Court of Justice, but we understand from the terms of the treaty that there is no appeal other than on a point of law. Is she saying that in certain circumstances the new courts will, nevertheless, at the request of the European Court of Justice have some form of preliminary hearing, or will it be the whole case? If it is unravelling the difficulties, there must be a passage from one court to the other, other than on a point of law.

Mrs. Chalker: I understand the hon. Gentleman's concern, but the detail of how exactly this will work has still to be determined, which is why I have been interested in the debate this evening. In determining exactly what should be referred to the court of first instance, it can delineate what can be left there and what can go back up to the European Court of Justice. Given the terms under which the idea of the court of first instance was arrived at, that is not something that will give us any difficulty. The aim is to relieve the work load of the European Court by lessening the detailed work that it has to undertake. The European Court will hear the cases once the detail has been unravelled.

It is evident from the debate that an infinite number of questions could be asked on these matters. Many of the questions this evening have been hypothetical, but it is important that I tackle two of the questions of my hon. Friend the Member for Southend, East. My hon. Friend asked whether rule changes to the European Parliament would be subject to national Parliaments. I hope that I have satisfied him on that score. He then asked whether the Government had sought the views of the United Kingdom courts on the impact and the power of the European Courts. As I have already explained to him, as there is no change in the power of the European Court of Justice, its impact and power will be no different from that which we face now. It is for the House to decide, as it will do in a moment, no doubt——

Mr. Budgen: Is my hon. Friend assuming the power of the Chair now?

Mrs. Chalker: That was a manner of speaking. My hon. Friend the Member for Wolverhampton, South-West forgets how late the hour is.

I was asked by my hon. Friend the Member for Southend, East about Clause 2(b) on the issue of false statements in the court of first instance. My hon. Friend wanted to know whether the issue would be tried and, if necessary, whether punishment would be imposed by the European Court rather than the British court. That will not happen. Section 11(1) of the European Communities Act 1972 provides that those who make false statements during sworn evidence before the European Court shall be

guilty of an offence under United Kingdom law and may be proceeded against in a British court as if they had committed the perjury here. My hon. Friend need not have concern on that ground.

My hon. Friend the Member for Southend, East raised a number of other matters, one of which I shall try to answer without straying from the rules of procedure. My hon. Friend asked about European Commission action against the United Kingdom if we were to fail to harmonise in accordance with the obligations of the Single European Act. The European Court will have the jurisdiction in future, just as it has now, to decide whether member states are acting in accordance with their obligations. That will apply to the Single European Act as it does in respect of the three Community treaties.

Mr. Marlow: Will my hon. Friend give way?

Mrs. Chalker: Yes, if my hon. Friend will allow me to finish what I am saying.

The Commission will not be able to bring actions against member states in the court of first instance. That is expressly excluded by the final sentence of the first paragraphs in the new provisions in articles 4, 11 and 26 of the single Act, which I described in response to the speech of the hon. Member for Walthamstow.

On the specific issue of the harmonisation of VAT and excise duties, which was raised by my hon. Friend the Member for Southend, East, the amended article 99 makes it clear that any decisions imposing new obligations on member states must be taken by unanimity. I suspect that we shall be dealing with that in a later debate if the relevant amendment is called.

Mr. Teddy Taylor: My hon. Friend has been helpful on an important issue and I am grateful to her. She said that the Commission could not take the power to say that Britain had not harmonised its VAT adequately for the purposes of article 99 in the court of first instance. That is clear and I am grateful to my hon. Friend for that. Would it be possible for the Commission to take action in the normal Court of Justice because Britain had not harmonised in accordance with article 99. That is something that every taxpayer wants to know.

Mrs. Chalker: It would be, if that were the case and we were so subject, but the position is not altered by the Bill. It is not altered by the Single European Act. I think, Sir Paul, that you will allow me to debate that when we consider amendment No. 7, and you would rule me out of order if I went further down that path.

Mr. Marlow: My hon. Friend has said that the court will take account of the Single European Act. To what extent will the court take account of the preamble?

Mrs. Chalker: I intended to refer to that. The preamble concerns aims and objectives. The preamble in no way changes rights or responsibilities. Therefore, it fits together with the rest of the Act. It does not, in itself, confer a right or an obligation. As a statement of aims and objectives it is part of the whole. It is not a covert step, as my hon. Friend seeks to say.

We have had a long debate on a complicated issue, which has been further complicated by the misapprehensions of a number of my hon. Friends and hon. Gentlemen. This sensible, clear-cut and eminently practical measure can ease the load on the European Court of Justice in a forthright and sensible way. Amendments Nos. 1, 4 and 38 would not help in any way. In fact, they would hinder that objective. For those reasons, I urge the House to reject the amendments.

Mr. Marlow: Sir Paul, on a point of order—

Mr. John Cope (Treasurer of Her Majesty's Household) *rose in his place and claimed to move*, That the Question be now put.

Question put, That the Question be now put:—

The Committee proceeded to a Division.

Mr. Marlow *(Seated and covered)*: Sir Paul, on a point of order. I raised a point of order before the Whip rose to speak. That was quite clear. I think that all Conservative Members would rightly, like me to raise the point of order. Am I entitled to raise my point of order?

The Second Deputy Chairman: I shall not take the point of order during the Division.

Mr. Marlow *(Seated and covered)*: I raised a point of order before the Division was called.

The Second Deputy Chairman: Order. I will hear the hon. Member after the Division.

Mr. Marlow *(Seated and covered)*: The point of order will not be relevant after the Division. Are you trying to silence Back-Benchers?

The Committee having divided: Ayes 117, Noes 34.

Division No. 225] **[12.01 am**

AYES

Ancram, Michael	Knox, David
Arnold, Tom	Lang, Ian
Ashby, David	Lawler, Geoffrey
Baldry, Tony	Leigh, Edward *(Gainsbor'gh)*
Beaumont-Dark, Anthony	Lennox-Boyd, Hon Mark
Best, Keith	Lester, Jim
Boscawen, Hon Robert	Lightbown, David
Burt, Alistair	Lilley, Peter
Butterfill, John	Lloyd, Peter *(Fareham)*
Cash, William	Lord, Michael
Chalker, Mrs Lynda	Lyell, Nicholas
Cope, John	McCurley, Mrs Anna
Couchman, James	MacKay, John *(Argyll & Bute)*
Durant, Tony	Maclean, David John
Favell, Anthony	Major, John
Fenner, Mrs Peggy	Malone, Gerald
Forsyth, Michael *(Stirling)*	Marshall, Michael *(Arundel)*
Freeman, Roger	Mather, Carol
Galley, Roy	Maude, Hon Francis
Garel-Jones, Tristan	Mayhew, Sir Patrick
Gower, Sir Raymond	Merchant, Piers
Gregory, Conal	Meyer, Sir Anthony
Griffiths, Peter *(Portsm'th N)*	Miller, Hal *(B'grove)*
Ground, Patrick	Mills, Iain *(Meriden)*
Hamilton, Hon A. *(Epsom)*	Mitchell, David *(Hants NW)*
Hargreaves, Kenneth	Morris, M. *(N'hampton S)*
Harris, David	Moynihan, Hon C.
Harvey, Robert	Mudd, David
Hawkins, Sir Paul *(N'folk SW)*	Newton, Tony
Hayes, J.	Nicholls, Patrick
Hayward, Robert	Norris, Steven
Heathcoat-Amory, David	Onslow, Cranley
Hickmet, Richard	Ottaway, Richard
Hicks, Robert	Pawsey, James
Hirst, Michael	Portillo, Michael
Holland, Sir Philip *(Gedling)*	Powell, William *(Corby)*
Hunt, David *(Wirral W)*	Powley, John
Hunter, Andrew	Raffan, Keith
Jackson, Robert	Renton, Tim
Jones, Robert *(Herts W)*	Rhys Williams, Sir Brandon
Kellett-Bowman, Mrs Elaine	Roberts, Wyn *(Conwy)*
Key, Robert	Roe, Mrs Marion
King, Roger *(B'ham N'field)*	Sackville, Hon Thomas
Knowles, Michael	Shaw, Sir Michael *(Scarb')*

Shepherd, Colin *(Hereford)*
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Taylor, John *(Solihull)*
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Wood, Timothy
Woodcock, Michael

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Tim Sainsbury.

NOES

Alton, David
Berth, A. J.
Budgen, Nick
Clay, Robert
Foster, Derek
Foulkes, George
Hogg, N. *(C'nauld & Kilsyth)*
Howarth, Gerald *(Cannock)*
Hughes, Simon *(Southwark)*
Johnston, Sir Russell
Lawrence, Ivan
Lewis, Terence *(Worsley)*
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
Maxton, John
Maxwell-Hyslop, Robin
Moate, Roger
Nellist, David
Penhaligon, David
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Proctor, K. Harvey
Raynsford, Nick
Roberts, Allan *(Bootle)*
Robertson, George
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Spearing, Nigel
Steel, Rt Hon David
Taylor, Teddy *(S'end E)*
Thompson, J. *(Wansbeck)*
Walker, Bill *(T'side N)*

Tellers for the Noes:
Mr. Eric Deakins and
Mr. Ron Leighton.

Question accordingly agreed to.

Mr. Marlow: On a point of order, Sir Paul. Before the Division and before the closure, I sought to raise with you a point of order. I rose to my feet as the Minister was sitting down, and I got to my feet before the Whip got to his feet. I asked to raise a point of order. My hon. Friends are well aware of the fact that I sought to raise the point of order before the Whip got to his feet.

I do not know how one can have an objective assessment of this, but can I ask you to listen to the *Hansard* tapes, when you will find out that I sought to raise that point of order before the Whip got to his feet? I know that it was a great convenience for the Government to get the closure, because I would have asked that we report progress. I would have done so at this time of night because it is an important debate and many hon. Members who wished to speak did not have an opportunity to speak. If it is the case that I wished to raise that point of order before the Division, knowing that my hon. Friend will now ask you to report progress, can we reverse the situation, do without that closure and continue the debate?

The Second Deputy Chairman: Points of order were put to me simultaneously and I exercised my discretion to take the point of order on the closure——

Mr. Budgen *rose*——

Mr. Moate *rose*——

The Second Deputy Chairman: Order. I allowed the hon. Member for Northampton, North (Mr. Marlow) to raise his point of order, but I must immediately put the Question on amendment No. 1——

Mr. Teddy Taylor *rose*——

The Second Deputy Chairman: Order. I must put the Question on amendment No. 1.

Question put accordingly, and negatived.

To report progress and ask leave to sit again.—*[Mr. Cope.]*

Committee report progress; to sit again tomorrow.

EDUCATION (No. 2) BILL

Order for Second Reading read.

Motion made, and Question put forthwith pursuant to Standing Order No. 69(6) (Second Reading Committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

EDUCATION (No. 2) BILL *[MONEY]*

Queen's Recommendation having been signified

Resolved,

That, for the purposes of any Act resulting from the Education (No. 2) Bill, it is expedient to authorise the payment out of money provided by Parliament—

(a) of any sums required by the Secretary of State for making grants to the Fellowship of Engineering or the Further Education Unit;

(b) of any expenses incurred by the Secretary of State attributable to provisions of that Act enabling him to make payments to any authority in substitution for block grant to which they would be entitled apart from those provisions; and

(c) of any increase in the sums payable out of money so provided under the Local Government, Planning and Land Act 1980 which is attributable to provisions of any Act resulting from the Education (No. 2) Bill regarding the payments to any authority of the amount by which their block grant for any year falls to be increased in accordance with the arrangements under the Act of 1980 for pooling expenditure by local authorities on education and for connected purposes irrespective of whether any block grant is otherwise payable to them for that year.—*[Mr. Archie Hamilton.]*

EDUCATION (No. 2) BILL *[WAYS AND MEANS]*

Resolved,

That, for the purposes of any Act resulting from the Education (No. 2) Bill, it is expedient to authorise the recovery from any authority of sums in respect of any amount by which the block grant payable to them for any year is less than the amount, or aggregate amount, by which the block grant payable to them for the year falls to be reduced in accordance with the arrangements under the Local Government, Planning and Land Act 1980 for pooling expenditure by local authorities on education and for connected purposes.—*[Mr. Archie Hamilton.]*

PATENTS, DESIGNS AND MARKS BILL *[LORDS]*

Order for Second Reading read.

Motion made, and Question put forthwith pursuant to Standing Order No. 69(6) (Second Reading Committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments &c.).

EDUCATION

That the draft Education Support Grants (Amendment) Regulations 1986, which were laid before this House on 12th May, be approved.

Question agreed to.

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION

Ordered,

That Mr. Ray Ellis be discharged from the Select Committee on the Parliamentary Commissioner for Administration and Mr. Alex Carlile be added to the Committee.—*[Mr. Cope.]*

SCOTTISH ESTIMATES

Ordered,

That, in the course of its consideration of Scottish Estimates, the Scottish Grand Committee may meet in Edinburgh on Monday 30th June at half-past Ten o'clock.—*[Mr. Archie Hamilton.]*

SCOTTISH ESTIMATES

Ordered,

That, in the course of its consideration of Scottish Estimates, notwithstanding the provisions of Standing Order No. 67 (Meetings of Standing Committees), the Scottish Grand Committee shall have leave at its sitting in Edinburgh on Monday 30th June, to sit until half-past Three o'clock.—*[Mr. Archie Hamilton.]*

PRIVATE BILL PROCEDURE

Resolved,

That it is expedient that a Joint Committee of Lords and Commons be appointed to examine the processes of enacting Private Legislation and to consider whether:

(a) there are any matters of a kind at present dealt with by Private Bill which could more appropriately be dealt with some other way, taking account of the interests both of promoters and other affected parties;

(b) any changes are desirable in Private Bill procedure; and

(c) any amendments are desirable to the Private Legislation Procedure (Scotland) Act 1936 and the procedure thereunder;

and to consider whether any amendments are desirable to the Statutory Orders (Special Procedure) Act 1945.—*[Mr. Archie Hamilton.]*

Hot Dry Rock Project (Cornwall)

Motion made, and Question proposed That this House do now adjourn.—*[Mr. Archie Hamilton.]*

12.16 am

Mr. David Penhaligon (Truro): It gives me considerable pleasure to be able to raise Cornwall's hot rock project on the Floor of the House and to give the opportunity to the Minister to explain the Government's position, and perhaps I can guide his response with one or two questions and observations as we go on.

The basic theory of Cornwall's hot rock project is not new to many hon. Members who have followed this with any interest. Anybody who has gone down South Crofty mine will be more than aware that the rocks in Cornwall are very hot even at moderate depths. That has been well known for a long time, and it has caused some difficulty with the mining industry. The concept is that if it was possible to drill parrallel holes to a substantial depth and it was then possible to break up the rock between the bottom of those two holes and put cold water down one hole it may be possible to get hot water, indeed steam, out of the other. That is the theory and the background, and much work has gone on in that over the past decade.

By chance I had some remote connection with the origins of that. I used to work for a company in Camborne called Compair in its research and development department back in 1973, when that company, together with the local school of mines and a small company locally called Penryn Granite did a few tests using the equipment that was then available to monitor the increase of rock temperature as deeper holes were drilled.

In 1976 the Science Research Council gave the project some money and assistance. In 1977 the European Commission became involved, with much local support. Compair, my old company, and a company called Pneu-o-plant, run by a friend of mine, Mr. Williams, all put a great deal of energy and effort into it out a personal interest that in the long run this was something of above average interest.

In 1978 the Department of Energy became involved, a little slow for some of our tastes, with a six-year project and then the real work on this concept started. It is fair to say that difficulties were experienced in the early days. There was no great problem in drilling the holes. That has been done elsewhere and satisfactorily on that site. The cracking of the rock at those depths was a new concept and, in the early stages, it is fair to say that when the rocks cracked, they cracked in the wrong direction. When the cold water was put down the hole, far too large a percentage of the water just disappeared.

A rethink of the whole process, and a discovery that the problem was that the pumping was being carried out at too high a pressure led the project to drill deeper and pump at a lower pressure. Since then tremendous results have been achieved. The holes are now 2,000 m deep, and some 75 per cent. of the water is recovered. The circulation has been going on for some 7,000 hours and the temperature of the rock face, which is just short of 100 deg. C, shows no sign of falling. That is all good. It is a tremendous achievement. It is all new technology. There is no book to which the engineers could go to seek answers to the problems with which they were faced.

So far so good, but further questions remain. The general belief is that rock of 200 deg. C needs to be found,

[Mr. David Penhaligon]

before it is likely that we can produce hot water and steam in the quantities and at the pressure and temperature required to generate electricity. The view of all the geologists is that that temperature is available at 6,000 m. The questions that I ask the Minister will revolve around the reason why the Government have not given the go ahead to drill the deeper holes.

There are technical question marks. I cannot say that there are problems because as yet we do not know. For example, water at that temperature and pressure has a quarter of the viscosity that it has at normal temperature and pressure. There is a possibility that the flow will become turbulent. If it does, the heat transfer characteristics from the rock to the water, which is extremely important, may be interfered with. It is the view of the scientists and those who have studied the matter that we shall find out only by trying. We are virtually at that point.

Some 18 months ago, the Government started on an amazing charade. First it was suggested that the project should be privatised. Dr. Tony Batchelor, who I think all would admit is the main driving force behind the project, managed to find someone who would allow it to be privatised. It was American money. The Government eventually turned it down. Whether it was because it was not enough money, or because it was American—all that was in the middle of the Westland affair—we know not. It does not make a tremendous difference. The fact is that the Government killed that aspect.

Then we started the saga of the chief scientist's report. We understand that the first draft suggested that the project would produce electricity that was as cheap as coal. The report was then redrafted. The second draft suggested that the electricity might be a great deal more expensive than coal. We then had the Russian tragedy. At that point the report went off for the third drafting. That drafting is more strongly in favour of the project than the first. The Minister will know that I tabled some questions and was promised that the report would be published. I would appreciate an idea of when that will be.

What is certain is that the Government, throughout the negotiations, allowed the project to run within days or at least weeks of the redundancy notices being handed out. The team of experts was on the verge of breaking up. We are talking about very high technology.

I have had a few Adjournment debates in my time, but I have never known a situation so transformed between the time when I obtained the Adjournment debate and reaching the opportunity to deliver my speech. Between those two dates, the Government announced that they are to fund the project for another two years—a sum of over £5·75 million is to be provided, and £1 million for something extra, which is unspecified.

Will the Minister confirm what he thinks the engineers and scientists are to do with that sum? I understand that they will be asked to continue the circulation tests to make sure that the temperature profile is maintained. I have no complaint about that. They will be asked to develop tools that are capable of drilling into higher temperature rock, which will be required at deeper depths. I have no complaint about that. Some money will be provided for shallow drilling to check the temperature profile in other parts of my county, to see whether there are other more attractive sites. I have no real complaint about that, either. My real complaint is that all adds up to a sum considerably less than what the engineers had hoped for. They will not be able to answer the fundamental question unless the Government have the courage to finance the 6,000 m hole. That is what is required. We would not expect the go-ahead to be open-ended, with no review points or analysis of what happens at various stages. However, until the go-ahead is given for the 6,000 m hole, we will not be able to answer the questions.

I understand that the tranche of money is intended to cover two years. The scientists tell me that they will be able to tell whether the 6,000 m hole is worth drilling a long time before that two year period elapses. We need to have information from the Government as to when a decision is to be taken on the hole and whether a review relative to that is planned before the two years is up? What criteria will the Minister use to judge whether that prospect is viable?

It may be that if the hole is drilled and is a success, the Government might not wish to be involved in building the electricity unit. I have no real complaints about that. If a commercial proposition can be involved, I would wish the commercial firm good luck. However, can the Minister say whether any private companies are involved at this stage or whether he expects any to become more involved as time passes?

We want the go-ahead for the 6,000 m hole with the 200 deg C rock. If that is as successful as the project has been so far—and it is worth recalling and placing on the record that the scientists have made promises and have delivered the goods—what must they do to get the go-ahead for the 6,000 m hole? There is a view that if the Government do not finance it, the hole will not be drilled. However, we seeking answers to questions that will only be answered by carrying out the research. Research is cheap in this area relative to the quantities of energy that may well be produced. It is worth recalling that there are some 6,000 million tonnes of coal equivalent within the south west basin. Even a small percentage of that will be worth recovering.

The scientists want answers to those questions and I am delighted to have been able to give the Minister the opportunity to clarify these matters. I know that the hon. Member for Falmouth and Camborne (Mr. Mudd) wishes to ask some questions, so I will finish my remarks.

12.27 am

Mr. David Mudd (Falmouth and Camborne): I would like to congratulate the hon. Member for Truro (Mr. Penhaligon) on his success in securing the debate and I am especially grateful that he has allowed me the opportunity to speak. Although the hon. Gentleman lays claim to the entire county of Cornwall as his county, the constituency in which the project is carried out is exclusively mine. I can therefore speak from a differenct point of view from the hon. Member for Truro, as I know more about the facts and a little less of the political folklore that it has generated during the past five or six years.

The hon. Gentleman was rather scathing in his suggestion that the Department of Energy has been less than enthusiastic in its support for the project. I can set the hon. Gentleman's mind at rest and tell him the facts which he could easily have obtained had he so wished. Far from being reluctant to give government support, since 1980 the Department of Energy has provided £20 million of

taxpayers' investment even before the £5·75 million announced as recently as Thursday of last week to see the project through the next two critical years.

The hon. Gentleman thought that the Department of Energy was dragging its heals. Perhaps he is unaware that I had the honour of pressing the Department to make its decision over the past three months and that that decision was partly associated with my effirts to obtain that early announcement.

I welcome the fact the Camborne School of Mines has been awarded a contract and that it will be using Geoscience Ltd. as its sub-contractors. Not only does that guarantee a continuity of exploration, development and exploitation but it suggests that a continued public sector participation rather than a move to the private sector at this stage, will continue to enhance the inter-change of technical knowledge from various competing projects in Germany, Sweden and California. Had the Commercial sector been brought in inopportunely at this stage, it would have inhibited the all important exchanges of knowledge which are so vital to the project worldwide.

Moreover, the work to be carried out within the new contract period to the end of September 1988 should allay one of the hon. Gentleman's fears, namely, the complete dissipation of the highly professional and expert work team. They now know that they have the guarantees to be able to work together to arrive at áll important decisions about what ultimately might be capable of commercial exploitation.

It is right that the next two years should be seen as the preliminary years of an eight-year programme which could lead to the construction and operation of a power plant in south-west England. That will be a commercial decision and the next two years, which are now firmly guaranteed by the announcement on Thursday, were never in doubt. It was never considered that that support would be withdrawn. The announcement will provide the necessary time for industrial concerns to consider a concerted approach to the development of a pilot plant. It will also give the important and valuable techology the chance to prove itself.

I hope that details of continued Government support will be made at the latest half way through this new contract period, since I certainly share the hon. Gentleman's view that there can be no denying that delay and prevarication hits morale, causes alarm among those who work on the project and, understandably, leads to the danger of various experts being seduced by private corporations, offering them long-term prospects.

The two years guaranteed in Thursday's announcement must be used to encourage industrial interest to exploit the technology and to take some of the risks associated with research; to help smooth the transition from full Government support to commercial operation; and to make easier the transition from research to development without any significant extra demands on taxpayers.

I welcome the partnership of Camborne School of Mines with Geoscience Ltd. in what is now internationally regarded as one of Britain's most promising renewable energy projects. I am proud that in Cornwall, where so much traditional industry and expertise is under threat, my constituency has become the scene of one of the world's most active research programmes into using natural sources for the production of much-needed energy.

12.32 am

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): First, I congratulate the hon. Member for Truro (Mr. Penhaligon) on securing the debate tonight and thank him for opening it. I welcome his interest in one of the promising renewable energy sources that the Government are examining as part of their renewable energy research and development programme. I am particularly pleased that my hon. Friend the Member for Falmouth and Camborne (Mr. Mudd) has been able to contribute to the debate, because he has put the record straight on some important points. My hon. Friend is a great lobbyist on behalf of the hot dry rocks project in his constituency.

I am also delighted to see in his place my hon. Friend the Member for St. Ives (Mr. Harris). In recent months both my hon. Friends have been pressing me hard on behalf of the project to make the announcement that I was able to make on Thursday. I am sorry I could not make it earlier, but I made it at the earliest possible opportunity.

When the House debated the alternative sources of energy on 25 October 1985 I stressed that in many cases we were working on the frontiers of science to establish the renewable technologies firmly in our energy future. In many respects our geothermal hot dry rock work is in the vanguard of this technological advance.

Since 1980 we have been engaged in one of the most active research programmes worldwide into the possibility of obtaining energy from hot dry rocks beneath the earth's surface. We have invested £20 million in this programme. The prospects are encouraging and for that reason we announced last Thursday that a further £6·85 million will go into this research programme. The major part of this investment will be the extension of the programme carried out by the Camborne School of Mines in Cornwall for a further two year's work from October 1986, and it will cost £5·85 million. Other related work will cost a further £1 million.

Our hope is to have a commercial prototype in operation with industrial collaboration by the mid-1990s. The work that we have now commissioned will allow us to make decisions as to what could be capable of commercial exploitation.

The hon. Gentleman may know that I was delighted to have the opportunity of visiting the project last week in the company of my hon. Friend the Member for Falmouth and Camborne. I had the opportunity then of talking to the team directly and I thanked them for their loyalty and the hard work that they have put into the project.

When the hon. Gentleman throws doubt on whether an announcement could now be made to move on to the next stage, I hope that he will accept from me that I raised that issue with the project team, most of whom were at the meeting with me last Thursday. They all agreed that it was not yet possible to move on to that stage. Everybody was resolved in their determination that the two-year extension would enable us as quickly as possible to move on to making a decision about drilling to a deeper depth.

Mr. Penhaligon: This is important. Is the Minister clearly saying that the decision to go for the 6,000 m hole can be taken a long time before that two years is up, provided, I accept, that the evidence suggests that that is the logical thing to do?

Mr. Hunt: I can be quite clear with the hon. Gentleman, because I was pressed in the meeting by my hon. Friend

[Mr. Hunt]

the Member for Falmouth and Camborne to make clear exactly what was proposed. I set a target of being in a position to make the decision at some stage next year. I offered to accept a further invitation from my hon. Friend to visit the project in his constituency at an appropriate time next year when I hope that the necessary work will have been completed which will enable us to make a decision on drilling to a deeper depth in good time before the expiry of the two-year period at the end of September 1988.

I want to stress again that the Government are firmly committed to developing and promoting all economic renewable technologies which have potential to make an economic contribution to the United Kingdom's energy supply. While geothermal hot dry rock technology is very much a technology for the 21st century, other technologies that we have developed such as passive solar design and waste derived fuels are economic now and we are actively promoting their take-up in the market place.

Major advances have been made on other technologies and some have real promise of becoming economic in the United Kingdom in the near future. In that respect I am encouraged by the progress that we are making in wind power and the next twelve months will see the completion and commissioning of our horizontal and vertical axis machines on Orkney and at Carmarthen bay.

Since 1979 the Government have spent over £81 million on a comprehensive range of research and development for the renewable technologies, a wise investment given that renewable energy sources have the potential to contribute over 30 million tonnes of coal equivalent per annum to the United Kingdom's energy supply by 2025. No Government have ever had such a positive attitude to wind and tidal energy, to geothermal hot dry rock technology and to renewable sources of energy generally. If the research and development on geothermal hot dry rock is successful and we can move to commercial exploitation then the resource could be significantly increased.

We are currently carrying out a major programme to develop this promising technology at Rosemanowes quarry, which if successful could extract heat from deep impermeable rocks at depths between 4,000 m and 6,000 m.

As the hon. Member for Truro said, the programme started in 1977 and it is designed to realise and to determine the technical and economic viability of hot dry rock systems in the United Kingdom. The possible uses envisaged for hot dry rocks are electricity generation, combined heat and power schemes and the direct use of heat.

At this point I should like to refer to Richard Shock's report. I regret that the hon. Member for Truro made a number of unjust accusations about this report. There has never been any secrecy about it. A report on the economic viability of hot dry rocks was commissioned by my Department last year. The report by Dr. Richard Shock, the chief officer of the chief scientists' group at the energy technology support unit, is in its final draft stages and it is intended that the report should be published as soon as possible. The draft report has been discussed extensively and will take account of comments made by experts in the field, including experts at the Camborne school of mines and Dr. Tony Batchelor. The report examines the economics of hot dry rocks for electricity only, combined heat and power and heat only and is likely to conclude that electricity production is the most attractive option for hot dry rock technology.

The cost of generation is subject to a large number of uncertainties, such as drilling costs and flow in the reservoir, but it is estimated to be 4·5p per kilowatt hour. However, there is a large amount of uncertainty about this figure. The work to be carried out over the next two years will help to eliminate these uncertainties.

As the hon. Member for Truro will know, the main work on the hot dry rock geothermal research has been carried out by the Camborne School of Mines at the site in Cornwall and the research there has reached an interesting stage. The hon. Member for Truro sought to encompass that in his speech and spoke about the intermediate depth system. That has now been established and is currently being developed. Three holes have been drilled in the rock to a maximum depth of about 2·5 km and experiments have been carried out to open up the natural joints in the rock in order to create a series of fractures between the holes. The object is to achieve good circulation of water through the fracture system or reservoir so that we can be sure that if commercial systems are created at between 4 and 6 km, the flow rates will be sufficient for the economic production of electricity. Although the basic idea sounds easy, I can assure the House that the problems in creating such a system are complex.

I am delighted that we have some of the best brains in the world present on this project site in Cornwall. Other countries have hot dry rock projects, but the United Kingdom has established itself as the world leader in this technology. I went to see the project last week and I was delighted to hear that the Camborne team has now achieved the highest circulation rates in the world to date. It did that approximately four weeks ago. The circulation rate is about 30 litres per second.

Mr. Penhaligon: If what the Minister has just said are the best brains in the world in this technology reach the conclusion some time before the two years are up that now is the time to start drilling the 6 km holes, will he give the go ahead and finance that drilling before the two years are up?

Mr. Hunt: I have already made absolutely clear and I make it clear again that I have set the team a target, which it has readily accepted, that it should place my right hon. Friend the Secretary of State in a position next year to make a major decision. Everyone agrees that further work must be done first in order to eliminate the uncertainty. At the meeting I attended last week, nobody expected me to go further than that. When I visited the site in Cornwall at the invitation of my hon. Friend the Member for Falmouth and Camborne for the first time in November 1984, and again last week, I was most impressed by the techniques developed by the research team there and the standard of research carried out.

In a review of renewable energy research and development in 1985, my right hon. Friend the Secretary of State's advisory council on research and development, ACORD, endorsed hot, dry rock geothermal energy as a "promising but uncertain" renewable technology. ACORD share my view about the high standards of research achieved by the Camborne team. ACORD recommended that the work in Cornwall should continue, and I fully support this view.

The extension of the work for a further two years beyond October 1986 will enable the complex problems of reservoir formation and the extent of the geothermal resource to be fully understood. This will, if successful, enable us to demonstrate the technical and economic case for a new programme at greater depth, leading to the commercialisation of hot dry rock technology. That is the assurance that my hon. Friend the Member for Falmouth and Camborne has constantly sought from me. I have told him many times that there was never any question of terminating the project at this stage. The question was how best we could carry it through to the next stage. The work will continue, with the Camborne School of Mines in the lead. I am anxious to see that every opportunity is given to United Kingdom industry to become involved in the technology so that eventual commercialisation can take place in the United Kingdom economy. A major aim of the two-year extension will, therefore, be to develop a suitable broad based institutional structure for the project, and United Kingdom companies are being encouraged to participate.

It is also essential that we continue to collaborate in hot dry rock research internationally, and I am pleased that the European Community has so far contributed about £2 million to the work in Cornwall and a further £1 million is expected. The other major project on hot dry rocks is being carried out near Los Alamos in the United States and there is close collaboration technically between the Camborne school of mines and the Los Alamos team. Collaboration is also under way with a joint French-West German project at Soultz, which involves the drilling of a 1 km deep hole to provide a facility to develop hot dry rock techniques. That project is also partly funded by the European Community. The possibility of collaboration on hot dry rocks research with Sweden is also currently being discussed.

The longer-term aim of the United Kingdom programme is to have a commercial protoype in operation at about 6 kilometres depth in collaboration with suitable commercial companies by about the mid-1990s. This depends, however, on whether the technical targets at the present depth of 2,000 m can be fully achieved, and whether it can be shown that hot dry rock technology has sound prospects for commercial viability.

The next two years will be an important proving time for the technology. The project will be subject to review during that period so that all options for the future can be fully considered. I hope that if the review of the longer-term technical and economic prospects for the technology is favourable, a case can be made for a new programme of work at 6 km leading to a commercial prototype.

I am sure that the House wishes the Camborne team every success in achieving the necessary technical targets that we have now set for the programme. The Government will continue to back the most promising technologies and promote further technological advance wherever necessary to encourage the use of renewable energy sources. Our commitment to geothermal hot dry rock is a clear statement of that intent.

Question put and agreed to.

Adjourned accordingly at fourteen minutes to One o'clock.

House of Commons

Tuesday 17 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

Falkland Islands

1. **Mr. McCrindle** asked the Secretary of State for Defence if there has been any change in the pattern of patrols in the south Atlantic following the sinking of a fishing vessel by the Argentine navy off the Falklands Islands.

The Minister of State for the Armed Forces (Mr. John Stanley): My hon. Friend will, I am sure, understand that I cannot provide details of Royal Navy patrol patterns in the south Atlantic. However, Her Majesty's Government have strongly condemned the deplorable attack on an unarmed fishing vessel in international waters by an Argentine coastguard vessel on 28 May, with resultant loss of life.

Mr. McCrindle: I understand the Minister's inability to be specific, but will he give the House an assurance that the Government remain satisfied that the level of naval patrolling within our terroritorial waters around the Falklands remains adequate to deter the sort of movement to which I referred in my question? More generally, has the incident caused Her Majesty's Government to reconsider the prospect, to which they look forward, of reducing the garrison on the Falkland Islands?

Mr. Stanley: I can assure my hon. Friend that we keep our force levels under review, and at present we are certainly satisfied that our force levels in the south Atlantic are appropriate to meet the threat.

Mr. Cartwright: As the seas around the Falkland Islands now seem to be becoming a traffic jam of foreign trawlers, all intent on stripping the islands of one of its most important assets, is it not time that Britain and Argentina got together to try to agree some sensible policy for protecting the fish stock?

Mr. Stanley: The hon. Gentleman will appreciate that fisheries policy is a matter for my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs. He will also be aware that Government policy is to try to produce a multinational solution to that problem.

Sir John Biggs-Davison: Are Her Majesty's Government aware that, as a result of this example of frightfulness, the British people of the Falkland Islands are the more resolved that they shall not pass under the sovereignty or administration of Argentina?

Mr. Stanley: I am grateful to my hon. Friend. He knows, as well as anybody else, that on every possible occasion in recent years the people of the Falkland Islands have made it clear that they wish to remain under a British Government.

Mr. Dalyell: Whatever the ministerial responsibility, what are the Government, as a whole, going to do about the ecological disaster of over-fishing?

Mr. Stanley: As I have already said, the Government are trying to negotiate a satisfactory multinational fishing regime.

Mr. Cyril D. Townsend: Will my right hon. Friend continue, privately and effectively, to point out to the Foreign Office the extra burden that will fall upon the Royal Navy should Britain decide to go for a unilateral conservation regime in that part of the world?

Mr. Stanley: My hon. Friend makes a very pertinent point.

Chemical Weapons

2. **Mr. Caborn** asked the Secretary of State for Defence what are the implications for the speed of the North Atlantic Treaty Organisation's reaction to a chemical attack from the Union of Soviet Socialist Republics in a future conflict of all North Atlantic Treaty Organisation chemical weapons being stored in the United States of America.

Mr. Stanley: If the hon. Member is implying a reaction with chemical weapons, the implications would be determined by a variety of factors, such as which delivery systems the United States chose and whether there had been any contingent deployments of chemical weapons to other NATO countries by the time any Warsaw pact attack with chemical weapons took place.

Mr. Caborn: I thank the Minister for that answer. Does he agree that such a movement of chemical weapons across the Atlantic could be seen as being extremely provocative in times of tension? Has he seen any estimates of shipping such weaponry across the Atlantic, for example, for the stockpiles in West Germany?

Mr. Stanley: On the basis of the hon. Gentleman's argument, NATO would have no reinforcement plans whatsoever. I would put to him a contrary point of view: that, at times of tension, it is fundamentally important that the NATO Alliance shows its resolve to resist and so preserve deterrence.

Mr. Lyell: Is it not a fact that, at the moment, the Russians have a massive chemical capability which would put our conventional forces at a huge disadvantage if there were an attack in north-western Europe, and that unilateralism and its disadvantages apply just as much to chemical warfare as to nuclear disarmament? Should the House not remember that before the second world war Britain had a massive gas capability and that, as a result, Hitler never dared to use gas?

Mr. Stanley: My hon. and learned Friend is entirely right to draw attention to the relationship between preserving a viable chemical deterrent and preserving our conventional deterrent. He is entirely right to stress, as we have done often from the Dispatch Box, that if the Warsaw pact, through being able to launch chemical

attacks on our forces with impunity, was able to oblige our forces to fight continuously in protective clothing while not being under any such disadvantage itself, it would confer an enormous advantage on its conventional forces.

Mr. Wallace: Does the Minister think that the deployment of chemical weapons across the Atlantic at a time of tension would help to heighten, or to relieve, tension?

Mr. Stanley: That would obviously depend entirely on the circumstances of the time. As I said in reply to the hon. Member for Sheffield, Central (Mr. Caborn), we believe, as previous Governments believed, that it is critical that NATO countries should have reinforcement plans and show their will and determination to reinforce at a time of tension.

Mr. Tony Lloyd: Why is it automatically assumed that the way to deter chemical weapons is by the use of chemical weapons and that the way to respond to a chemical weapon attack is to use them, when there are plenty of other options which the Minister does not seem to allow for in his answers?

Mr. Stanley: The hon. Gentleman will be aware that the NATO defensive posture is one of flexible response. It is, therefore, open to NATO countries to use the range of their capabilities. The essence of our deterrence is that we do not signal in advance the form of response that we might make to any form of Soviet agression.

Mr. Terlezki: Does my right hon. Friend agree that we ought to ask the Soviet Union to get rid of 300,000 tonnes of chemical weapons so that there is no need for other countries to produce or use them, thereby increasing the peace, security and well-being of the whole world?

Mr. Stanley: That is, and remains, the first objective of the Government's policy. Everybody's defence and security interests would be best served by disposing of these weapons altogether. As some of my hon. Friends have already rightly said, the Soviet Union has been responsible for this major escalation and extension of the chemical threat, as it has modernised and expanded its chemical stocks, when none has been produced by Britain since the 1950s and by the United States since 1969.

Mr. Denzil Davies: Is it not a fact that these binary weapons are no use in the United States, and that they are of use only if they are located in Europe, because that is presumably where the war would come? Does the right hon. Gentleman agree that the next step is for the United States to request that the bigeye bomb and other versions of these weapons be located in Britain at Upper Heyford and Lakenheath? If so, what would be the Government's response?

Mr. Stanley: As we have told the right hon. Gentleman and the House often, United States policy is that these weapons should remain in the United States during peacetime. As to what would happen at a time of tension or war, as we have said many times it would be matter for decision by the Government of the day in the light of all the circumstances at the time.

Nimrod Airborne Radar Programme

3. **Mr. Alex Carlile** asked the Secretary of State for Defence what progress has been made towards completion of the Nimrod airborne radar programme.

15. **Mr. Gerald Howarth** asked the Secretary of State for Defence if he will report on progress being made in bringing Nimrod airborne early warning aircraft into service.

The Parliamentary Under-Secretary of State for Defence Procurement (Mr. John Lee): A full statement on the Nimrod airborne early warning project was made to the House by my right hon. Friend the then Minister of State for Defence Procurement during the debate on the Royal Air Force, on 26 February, at columns 962-65 of the *Official Report*. The present position is that we have received proposals for AEW systems from six contractors, including GEC Avionics and three United States companies — Boeing, Grumman and Lockheed. In addition, we have had proposals from the United States Government to supply either of the systems in current United States military service through foreign military sales arrangements. All contractors have been asked to submit firm price proposals by 7 July.

Mr. Carlile: Why has the tender date for the programme been moved so often—four times, I believe? Does the hon. Gentleman accept that the constant moving of the tender date has caused great uncertainty, especially for one of the companies concerned? Does he agree that the tender date has been moved so often because of a running dispute between the Department of Trade and Industry and the Ministry of Defence?

Mr. Lee: We are running a fair competition and we intend to be totally even-handed.

Mr. Howarth: My hon. Friend will be aware that a number of the overseas proposals would provide aircraft other than the Nimrod. Will he say whether he foresees that, in the event of one of these contractors being selected, the 11 AEW Nimrods could be redeployed in the ASW role?

Mr. Lee: I am grateful to my hon. Friend for his contribution, and his suggestion will be considered, as will any cost-effective solution.

Mr. Campbell-Savours: Is not the scandal of Nimrod, made my Marconi Underwater Systems Ltd. surpassed only by the scandal of Marconi's Tigerfish—the torpedo that does not work? Does not Marconi Underwater Systems Ltd. need a major shake-up? Is not the only reason why it purchased the services of the right hon. Member for Waveney (Mr. Prior) that it could effectively, perhaps, impress Cabinet members with undue pressure?

Mr. Lee: All I would say to the hon. Gentleman is that in fact we are in the air, not under water, at the present time. I repeat, that this is a project of which historically neither the industry nor the Ministry of Defence can be particularly proud.

Sir Antony Buck: Ignoring the rather intemperate remarks of the hon. Member for Workington (Mr. Campbell-Savours, is my hon. Friend able to say when he will be able to say something definitive about the programme? Will it be a matter of months, or a year? When will he be able to to tell us something rather more firm and specific about the future of this programme?

Mr. Lee: Obviously we shall carefully evaluate the proposals. At present we have a team of about 50 officials working on the overall project.

Mr. McNamara: Does the Minister accept that the last statement seems to indicate that the Ministry is all at sea over this particular matter? Will he explain why on this occasion, as on previous occasions, the Ministry has decided to move the goal posts in terms of tendering? This has all the unsavoury atmosphere of what attended the tendering for the RAF trainer. Will the Minister tell the House whether the Ministry has given up all belief in a British early warning over the horizon radar system? Will he give an undertaking that the announcement of the decision about which system is to be adopted will be made in this House and will not be either leaked from the Ministry or slipped out while the House is in recess?

Mr. Lee: I am sure that in due course the decision will be announced in this House, although the decision will be for my right hon. Friend the Secretary of State for Defence. I repeat, in reply to the hon. Gentleman's earlier points, that in this competition we intend to be totally even-handed.

Sir Hector Monro: Does my hon. Friend agree that in the Nimrod we have a first-class airframe with a first-class engine and many experienced RAF crews to operate them? Is it really beyond the wit of this country's electronics industry to provide an adequate radar set with which to fulfil the contract?

Mr. Lee: With respect, it would be inappropriate for me to answer that question or to be drawn, apart from repeating once again that we are in full and genuine competition.

Chemical Weapons

4. **Mr. Pike** asked the Secretary of State for Defence whether the North Atlantic Treaty Organisation force goal on chemical weapons includes air-delivered munitions.

Mr. Stanley: This force goal invites the United States to modernise its chemical weapon stocks with binary munitions. The force goal itself is classified. The United States Government's plans for the modernisation of its chemical weapon stocks are set out in the United States Defence Secretary's annual report to Congress for the fiscal year 1987 and includes an air-delivered weapon.

Mr. Pike: Have the Government discussed with the Americans contingency plans about where, in times of crisis, these appalling chemical weapons will be sited in this country? If such discussions have taken place, will the Minister make the public of this country aware of where they will be placed? If discussions have not taken place, will he tell the House in what circumstances they will be sited in this country?

Mr. Stanley: No such discussions have taken place to date. As we have said many times, if a proposal is put to us, it will be considered by the Government at the time.

Mr. Conway: Bearing in mind the amount of time that British troops in Germany spend on training in nuclear, biological and chemical safety suits, what are the chances of protection for those troops if we follow the advice of the Labour and Liberal parties and independently and unilaterally do away with our nuclear deterrent, which does afford those front-line troops some protection, as we did with chemical weapons and got no response from the Soviet Union?

Mr. Stanley: My hon. Friend is entirely right to draw attention—and I hope that it will be noted more widely—to the one-sided disarmament tendencies inside the Liberal party.

Mr. Denzil Davies: The Minister said that there would be an air-delivered system. Why does he not make it clear that by air delivery what is meant is the F111s at Upper Heyford and Lakenheath delivering bigeye bombs, as that is the only way in which they can be delivered? Why does he not admit that plans for that are already in operation?

Mr. Stanley: No such plans have been put to us, but if the right hon. Gentleman is concerned about the alternative means of delivery for the United States chemical weapon deterrent, I hope he will bear in mind that the Soviet Union is now able to deliver chemical weapons over any of the NATO countries of western Europe from the sea, from the air, from land-based missiles and from artillery.

Experimental Aircraft Programme

5. **Mr. Robert Atkins** asked the Secretary of State for Defence what lessons have been drawn by his Department from the experimental aircraft programme.

Mr. Lee: The experimental aircraft project is yielding valuable practical experience in the integration of a wide range of advanced technologies for new sophisticated combat aircraft.

Mr. Atkins: Is it not essential that the first British fighter for 30 years should fly within its full flight envelope at Farnborough this year in order to maintain the technical lead that we have over the French counterpart, which will fly? Will he join me in urging all those involved in the industrial dispute at British Aerospace to resolve their difficulties as a matter of urgency and get back to making aeroplanes that can beat the competition?

Mr. Lee: I was with my hon. Friend and my right hon. Friend the Secretary of State for Defence at the impressive roll-out of the experimental aircraft project in April. The industrial dispute at British Aerospace at Warton is sad and disappointing, and one wishes that it will be speedily resolved. It is very much the intention of British Aerospace, and our hope, that the EAP will fly at Farnborough. My understanding is that, where possible, work on the programme has been continuing.

Mr. Carter-Jones: Apart from the importance of the British element in avionics and airframe construction, will the hon. Gentleman give a firm undertaking that, for strategic, employment and technological reasons, Rolls-Royce will continue to have a strong interest in this aircraft?

Mr. Lee: That would be our intention.

Sir Peter Blaker: Does my hon. Friend agree that a settlement of the industrial dispute would be helpful not only in connection with the experimental aircraft programme but in the context of our order for Tornados for Saudi Arabia and the efforts that the Government and British Aerospace are making to secure further sales for that aircraft?

Mr. Lee: My right hon. Friend is right. I remember that those workers who are now on strike were, some months ago, desperately concerned about their jobs and possible

redundancies at Warton, but then we had the extremely successful aerospace package sale to Saudi Arabia. Sadly, we have now moved into an industrial dispute. We all hope that it will soon be resolved.

Mr. Denzil Davies: The Minister mentioned the sale to Saudi Arabia. Can he confirm reports that the Saudis are seeking to renegotiate that deal because British Aerospace is being paid in oil which, as we know, is a depreciating currency? Is that agreement under review? Why did the Government enter into an arrangement for payment in such a depreciating currency as oil?.

Mr. Lee: I have no knowledge of any renegotiation.

Mr. Stern: In the context of the Rolls-Royce contribution to this project, will my hon. Friend take the opportunity to impress upon those trade unionists who are trying to poor mouth the achievements of Rolls-Royce to date how much Rolls-Royce has contributed to this project and, in doing so, has contributed to the growth and future prosperity of Rolls-Royce?

Mr. Lee: I am more than happy to pay tribute to the contribution of Rolls-Royce in this and other projects.

Trident

6. **Mr. Livsey** asked the Secretary of State for Defence how much has been *(a)* committed and *(b)* spent to date on the Trident project.

The Secretary of State for Defence (Mr. George Younger): To date, £2,400 million has been contractually committed on the Trident project, of which some £620 million has been spent.

Mr. Livsey: Can the Minister say what effect the expenditure will have on our conventional forces, especially in terms of frigates and Challenger tanks, and the opportunity costs of that?

Mr. Younger: If such a comparison is to be made, the effect of having no Trident deterrent in the mid-1990s onwards would be much more expensive in the vastly greater number of conventional arms that would be needed to replace it.

Mr. Squire: Has my right hon. Friend ascertained whether the hon. Member for Brecon and Radnor (Mr. Livsey), in asking that question, was speaking on behalf of the Liberal party leadership, the SDP alliance, or the Liberal party conference? Should we not be told the position?

Mr. Younger: I had hoped that the hon. Gentleman would be able to enlighten us on what his leader thinks about the matter. The only thing that I have been able to ascertain so far is that he will not be able to make up his mind for some years yet. The House may feel that that makes Ethelred the Unready look positively constructive by comparison.

Mr. Douglas: In view of the considerable expenditure of which the Secretary of State has given notice to the House, will he indicate the unique nature of the Trident contract that has been placed with Vickers? Will he provide details of the background and say why it was necessary to have a contract whose cancellation would involve 125 per cent. of the official price? Additionally, will the Secretary of State assure my constituents, who are extremely perturbed about the way in which the Ministry of Defence is going about the expansion of Rosyth naval base, that full disclosure will be made in terms of safety and other environmental aspects to the people in the locality of Limekilns regarding the proposed expenditure for Trident at Rosyth?

Mr. Younger: On the hon. Gentleman's first point, there is a copy of the contract with the contract-break clause for HMS Vanguard in the Library of the House. The contract shows that, in the event of cancellation in the limited period before the second Trident boat is ordered, the MOD has agreed to meet properly incurred liabilities up to 125 per cent. of the sum payable for completing the contract. That sum would be paid only if the liabilities had been properly incurred.

On the second part of the hon. Gentleman's question, I appreciate his constituents' concern about safety. Those concerns will be considered with the greatest care. I think that his constituents are really concerned whether the Labour party, in government, would cancel the Trident project and destroy most of their jobs.

Mr. Leigh: If my right hon. Friend believed that not only should Trident not be replaced at any cost but that Britain should unilaterally disarm, if his right hon. Friend the leader of the party believed that Trident should not be replaced but that Polaris should be allowed to linger on as an increasingly decrepit and hopeless system, and if his deputy leader believed that Polaris should be replaced by cruise, would people not say that the Conservative party's defence policy was a shambles? Is that not precisely the policy of the alliance? Does it not bear less resemblance to the real Alliance that protects our freedom and — *[Interruption.]*

Mr. Speaker: Order. The question concerns the amount of money spent on Trident.

Mr. Leigh: Does he agree that it bears a resemblance not to Ethelred the Unready, but more to the Mad Hatter's tea party?

Mr. Younger: My hon. Friend is quite right to say that there is immense confusion as to the precise position of all members of all the Opposition parties. I think the House might agree that any party which goes before the public without a credible defence policy is doomed to disappointment.

Nuclear Arms Race

7. **Mr. Strang** asked the Secretary of State for Defence what discussions he has had with his European counterparts within the North Atlantic Treaty Organisation about how best to halt the nuclear arms race; and if he will make a statement.

Mr. Younger: I had useful discussions with both my European and North American counterparts at last month's meeting of the Defence Planning Committee. We confirmed our objective of seeking balanced, equitable and verifiable arms control agreements involving United States and Soviet nuclear forces and expressed our strong support for the United States stance in the Geneva negotiations. Details are contained in the DPC communiqué, a copy of which is in the Library.

Mr. Strang: Does the right hon. Gentleman recognise that the whole world was dismayed at President Reagan's

threat last month at that very meeting to breach the SALT 2 treaty later this year? Do the Government support the American Administration on this matter?

Mr. Younger: The hon. Gentleman should look carefully at what the American Administration has said. As my right hon. Friend has already made clear, we welcome President Reagan's decision to continue to respect, for the time being, the constraints of the unratified SALT agreement by dismantling two Poseidon submarines. The President's statement on 27 May makes it clear that, if the Soviet Union takes constructive steps between now and the end of the year to alter the current position, the President will take that into account in reviewing whether the United States should exceed SALT 2 limits. Thus the door has been left open, and there is a clear opportunity for the Soviet Union to respond constructively.

Mr. Forman: Does my right hon. Friend agree that the best next step that the Government could take and urge upon their allies to limit, if not halt, the nuclear arms race would be a progressive step-by-step reduction in not only frequency but the number of underground nuclear tests, as recommended by Chancellor Kohl?

Mr. Younger: I appreciate my hon. Friend's point. We have repeatedly made it clear that we favour a comprehensive test ban, if that can be achieved. The key is adequate steps for verification, and we shall pursue that line.

Mr. Allan Roberts: Will the right hon. Gentleman confirm that one way to help to prevent the arms race is to support non-proliferation treaties? To that end, is it not unwise to re-process other people's spent fuel at Sellafield, as we plan to do with the THORP project, to produce plutonium, which we would send back to countries such as Germany and Japan? We know that plutonium can be used only to produce nuclear weapons.

Mr. Younger: That is a different question. The position in this country has always been that, provided adequate safety provisions are carefully adhered to, these industrial matters should be pursued in an industrial manner.

BAOR

9. **Mr. Proctor** asked the Secretary of State for Defence if he has any plans to change the size of the British Army of the Rhine; and if he will make a statement.

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): On present plans we intend to increase the size of BAOR to 56,000 by the end of the decade, as announced in the 1985 Statement on the Defence Estimates.

Mr. Proctor: May I take this opportunity to congratulate my hon. Friend on his well-deserved appointment. Will he explain the reasoning behind the increase?

Mr. Freeman: I am grateful to my hon. Friend for his kind remarks. For the past 30 years we have had a NATO commitment to maintain on the continent an army of 55,000. It makes operational sense to concentrate those forces in the Federal Republic of Germany to deter and repel an invasion by land.

Mr. Robert C. Brown: If BAOR's strength is to be increased, is it the Government's intention to proceed with the order for 78 new Challenger tanks? If so, will the hon. Gentleman give an unqualified assurance that Royal Ordnance factories will have to put forward tenders, as do their competitors, such as Vickers at the Scotswood works in Newcastle upon Tyne? Does the hon. Gentleman agree that it would be monstrous to award the contract to the ROF at Leeds without tender?

Mr. Freeman: That question is not one that I can answer specifically. I can give the hon. Gentleman the assurance that, in addition to increasing the strength of BAOR from 55,000 to 56,000, we are improving the equipment available to that Army, including the provision of six regiments of Challenger tanks.

Mr. Conway: I welcome my hon. Friend to the Dispatch Box. Will he assure the House that the less than 4 per cent. of the Army budget spent on the Territorial Army's battalions which are committed to NATO represents good value for money? Will he assure the House that the proposed expansion of the TA, which is much welcomed, is on course and will not be long in coming?

Mr. Freeman: I thank my hon. Friend for his kind remarks. I join him in paying tribute to the Territorial Army and to the important role that it has played, and will increasingly play, in the defence of Europe.

Helicopter Procurement

10. **Mr. Ashdown** asked the Secretary of State for Defence if he will make a statement on future helicopter procurement.

Mr. Lee: As in all aspects of defence procurement, our objective in future helicopter procurement will be to meet the forces' requirements for future helicopters and to obtain the best value of money for the taxpayer, with international collaboration where appropriate.

Mr. Ashdown: The Minister will recall that on 26 April he said that the Government would do all that they could to ensure Westland's future capabilities and position. Is he aware that the company's most pressing need at present, in planning for the future, is to know with clarity what the position is with regard to the support helicopter for the Army? Will the Minister say when the review for that order will be completed and when a decision will be announced?

Mr. Lee: I know the position at Yeovil. I was there for the commissioning of the EH101 simulator last month and I saw the situation on the production lines. Therefore, I am cognisant of the position. The conceptual study is under way and it is the intention that it will report to the Chiefs of Staff in the autumn. We would hope for a decision probably early in 1987.

Warship Procurement

11. **Mr. Bruce** asked the Secretary of State for Defence if he will make a statement outlining his plans for the future of warship procurement for the next five years.

Mr. Lee: It is our intention, within the resources available to us, to modernise our surface and underwater fleets appropriate to the threat.

Mr. Bruce: Is the Minister aware that that reply is rather less than forthcoming on the prospects for future ship orders in the United Kingdom? Will he acknowledge that, for a maritime nation such as Britain, the provision

of ships should be our key contribution to NATO defence? What assurance can he give that there will be enough orders coming forward for our shipyards, especially for the shipyard in my own area, Hall Russell, which is starved of orders and being privatised by the Government?

Mr. Lee: Everyone, including the hon. Gentleman, knows full well that there is substantial overcapacity in our warship yards at present. Therefore, I cannot give him the guarantee that he seeks. Nevertheless, the Government have a record that we can be proud of in supporting the conventional and nuclear Navy. Since 1979 we have ordered 52 warships, including 19 major ones, and at present the current value of naval orders is approximately £3·5 billion.

Sir Patrick Wall: Is my hon. Friend aware that there is considerable anxiety that unless the Government order three type 23 frigates each year they will not be able to keep their promise to maintain 50 frigates and destroyers? Is he also aware that Fearless and Intrepid are getting very old and unless there are plans to replace them this year the future of our amphibious force is very grim indeed?

Mr. Lee: I repeat the assurance that I have given previously that we shall be making a decision on the way ahead on amphibious ship replacement during 1986. Frigate orders are very much dependent on the availability of resources. However, it is our intention to make an announcement on frigate orders before the House rises.

Mr. Duffy: Is the Minister aware that his first reply was lamentable, even disgraceful? Even if we were to act on the recommendation of his hon. Friend the Member for Beverley (Sir P. Wall) and start to order warships again — which the Government have not done for two financial years — and even if we were to resume the obligatory pattern of three warships a year in order to maintain or at least achieve the objective of 50 warships, by 1990 one third of that fleet would be 25 to 30 years old? That is the problem that the Government are storing up for the Royal Navy.

Mr. Lee: I have nothing further to add to the replies that I have given previously.

Sir David Price: Is it my hon. Friend's continuing determination to maintain the pace and scale of the single role minehunter programme? Is he aware that if he slackens on it for Treasury reasons it will have an extremely adverse effect on the programme and on the admirable shipyard of Vosper Thornycroft?

Mr. Lee: I know that my hon. Friend lobbies consistently for Vosper Thornycroft. The order for O1 of the single-role minehunter was, as he knows, placed with Vosper Thornycroft in 1985. However, no decisions have been taken on the size or timing of future orders.

Mr. Denzil Davies: Has the Minister not in effect confirmed what we all thought, that the Government will not be able to honour the commitment to a 50-warship Navy, which would mean ordering three type-23 frigates a year for some considerable time? Why does he not say, as he implied in his earlier answer, that the Navy will be cut and run down in order to pay for Trident?

Mr. Lee: The right hon. Gentleman is totally wrong. I repeat that it is our intention to maintain a running fleet of about 50 vessels.

Mr. Speaker: Order. There is a good deal of back-chat going on, although we are still in the middle of Question Time.

Overseas Expenditure

13. **Dr. Michael Clark** asked the Secretary of State for Defence if he will indicate the proportion of the defence budget that is spent overseas; and if he will make a statement.

Mr. Younger: Direct defence expenditure overseas, net of receipts, is expected to comprise some 14 per cent. of total defence expenditure during 1986-87.

Dr. Clark: I thank my right hon. Friend for that answer. I recognise the need to spend money abroad in order to secure the defence equipment that we require, but will my right hon. Friend give an assurance that we will use our purchasing power as a major buyer of foreign equipment to secure offset agreements with the companies from which we purchase?

Mr. Younger: My hon. Friend is right about that. When we buy overseas equipment, either because it is cheaper or better, or both, we always try, wherever possible, to tie in offset agreements to help British industry.

Mr. McNamara: How much of that money is spent in Gibraltar and, in particular, how much of it has been spent on the Appledore company, which is supposed to be managing the dockyard in Gibraltar? Will the Secretary of State confirm that that private company, which took over the work at the dockyard, put a screw on a frigate back to front, so that instead of going forwards it would have gone backwards, and vice versa, and that it mended the pumps on a private vessel so that when the crew tried to pump water overboard, the water came into the ship and it sank in the harbour?

Mr. Younger: If the hon. Gentleman will table a question about how much of the money is spent in Gibraltar, I shall be glad to give him an answer. However, he may be interested to know that the 14 per cent. spent overseas includes the net cost of our forces overseas and all the foreign equipment that we buy. I hope the hon. Gentleman will feel that that is a fairly encouraging figure.

Mr. Nicholas Winterton: As I have just returned from the annual presentation of the Think British campaign, which was made by the deputy chairman of the Conservative party, may I ask my right hon. Friend to accept from me that spending 14 per cent. of our defence budget abroad is too high a figure? Over the years our Royal Ordnance factories have produced high quality products, and it is nonsense that we should send orders overseas so that we can say that we are providing competition for our Royal Ordnance factories, which already have such an excellent record in this country.

Mr. Younger: My hon. Friend is not quite correct to draw that conclusion. The figure of 14 per cent. relates to all overseas expenditure, net of receipts. If the procurement element is taken alone, between 90 and 95 per cent. of our procurement budget is spent at home.

Chemical Weapons

14. **Mr. Cohen** asked the Secretary of State for Defence how many representations he has received concerning the North Atlantic Treaty Organisation force goal for United States chemical weapons; and if he will make a statement.

Mr. Stanley: To date this year my Department has received about 50 letters from Members of Parliament and some 90 direct from the general public on the subject of United States plans for chemical weapon modernisation.

Mr. Cohen: Is the Minister aware that a United States Senator recently described the bigeye chemical weapon as the turkey to end all turkeys? The British public do not want it on their soil, and it does not represent a realistic form of defence for Britain. If the earlier statement that it will be kept in the United States in peacetime is to be believed, will it not be a sign to the Soviet Union that war is imminent if it is shipped over here? Should we not make it an early Christmas for that turkey, by saying that we will not have it on our soil?

Mr. Stanley: I note the hon. Gentleman's view that NATO would be better served by having no reinforcement plans whatever. That is not the view on this side of the House.

Intercontinental Ballistic Missiles

16. **Mr. David Atkinson** asked the Secretary of State for Defence if he will make a statement about his Department's policy for the disposal of redundant intercontinental ballistic missiles.

Mr. Stanley: At the end their useful lives the nuclear warheads for our Polaris missiles are dismantled and reusable materials, which include all special nuclear materials, are recovered. Non-reusable components, including conventional high explosives, are disposed of in accordance with strict safety and security regulations. The disposal of complete redundant Polaris missiles will not occur until the mid-1990s and the disposal policy has not yet been decided.

Mr. Atkinson: In view of the frightening Soviet lead in space, as reported by *Jane's* today, and of the crisis over launchers in the United States of America and in Europe, what studies has the right hon. Gentleman's Department made on utilising our existing missile stock in restoring our defence satellite programme?

Mr. Stanley: My hon. Friend will understand that those two do not relate to each other. He is entirely right to point to the enormous investment and the great progress that the Soviet Union has made in space.

PRIME MINISTER

Engagements

Q1. **Mr. Craigen** asked the Prime Minister is she will list her official engagements for Tuesday 17 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with His Majesty King Hussein.

Mr. Craigen: In what sense can the Prime Minister claim that her Administration are giving moral leadership on South Africa?

The Prime Minister: We tried at the Commonwealth conference to see whether we could get the solution to the South African problem by negotiation and we helped to set up the Eminent Persons Group. That Eminent Persons Group was widely welcomed. It was due to our leadership. I believe that had it not been for the bombing of the three capitals, that group would have continued and could have come through to a conclusion.

Mr. Latham: When my right hon. Friend meets King Hussein today, will she describe to him her extremely successful visit to Israel—*[Interruption.]*—oh, yes—and encourage him to enter into negotiations directly with Mr. Peres, the Prime Minister of Israel?

The Prime Minister: Of course I shall discuss with King Hussein the visit to Israel. I do not think that there is any point in trying to encourage King Hussein to have direct negotiations with the Prime Minister of Israel. I do not think he would contemplate that without the support of the other Arab nations. My hon. Friend is only too well aware of what happened to one of the King's ancestors on just such a similar occasion.

Mr. Kinnock: When Bishop Tutu and his colleagues, as well as the ANC and the UDF, together with other organisations representative of majority black opinion in South Africa, all say repeatedly that economic sanctions are the most effective non-violent way to pursue the end of apartheid, what right has the Prime Minister to disagree with them?

The Prime Minister: With all due respect to the right hon. Gentleman, we each have a right and a duty to formulate our own opinions.

Mr. Kinnock: In that case, we can tell that the right hon. Lady is not black and in South Africa, where they do not have the right to formulate their own opinions. That is what is wrong with the system. Since she offered her opinions, as she is freely entitled to do, last Friday, about what was best for the black people of South Africa, what was her authority for stating that?

The Prime Minister: I have given, and shall continue to give, our views on the lack of effectiveness of economic sanctions. I shall continue to give our view that the important thing is to try to end apartheid by negotiation and to try to get a suspension of violence on all sides. That will continue to be our objective.

Mr. Kinnock: And the Botha regime will continue to mock it. Does the right hon. Lady not understand that if she really wants negotiations they can come only through pressure, and that economic sanctions are vital to pressure?

The Prime Minister: Perhaps the right hon. Gentleman will remember what previous Members of his party have said about sanctions and what Mrs. Helen Suzman has said about sanctions, that they clearly would not be effective and would be counter-productive. The right hon. Gentleman wants sanctions, which will increase unemployment in South Africa and in Britain. How does he think that that will bring about peaceful change?

Mr. Richard Page: Does my right hon. Friend the Prime Minister agree that the recent honour to Sir Ian MacGregor was well deserved and——

Mr. Speaker: Order. The hon. Gentleman must not ask a question about the Prime Minister's advice on honours.

Mr. Page: Does my right hon. Friend believe that Sir Ian MacGregor's task to create the most efficient steel industry in Europe, if not the world, was made so much more difficult through the lack of courage of the Labour Government between 1974 and 1979 in not implementing the recommendations of the Beswick review?

The Prime Minister: The fact that the Labour Government did not implement certain recommendations on the steel industry made it more difficult for this Government. I believe that, partly as a result of the foundations laid by Sir Ian, British Steel is now trading profitably for the first time in 12 years.

Q2. **Mr. Willie W. Hamilton** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hamilton: With regard to the Prime Minister's meeting with the Queen tonight, and in view of Her Majesty's known anxiety about the need to preserve the unity of the Commonwealth, especially in connection with South Africa, will the Prime Minister—despite what she said last week—give Her Majesty an assurance that she places the unity of the Commonwealth above the unity of the Conservative party?

The Prime Minister: Had the hon. Gentleman listened earlier, he would have heard that I do not have an audience of Her Majesty this evening. When I do have an audience of Her Majesty, there are certain matters that I discuss only with Her Majesty and not with others.

Mr. St. John-Stevas: Will my right hon. Friend the Prime Minister convey to Her Majesty the concern of the hon. Member for Fife, Central (Mr. Hamilton) about her welfare?

The Prime Minister: I have nothing to add to what I have already said.

Mr. Steel: Will the Prime Minister explain to the House, in advance of this afternoon's debate, the distinction in her mind between sanctions, effective economic measures and effective measures? Is she aware that most of us find it humiliating that Britain is seen as being dragged along towards the inevitable international action to bring pressure to bear on South Africa for peaceful change? Should we not be taking the lead in these matters?

The Prime Minister: Had the right hon. Gentleman listened to my earlier remarks, he would have known that it was we who took the lead in setting up the Eminent Persons Group, which would have been successful but for the circumstances that I mentioned earlier. It is important to secure effective measures to bring the system of apartheid to an end and enable black South Africans to play their proper part in the government of South Africa.

Mr. John Browne: Does my right hon. Friend accept that, with regard to race, our superb armed forces are effectively colour blind, with recruitment and promotion based on aptitude and merit? Does she agree that ethnic monitoring will lead to positive discrimination and enhance racialism and non-merit promotion? Can she please assure the House that ethnic monitoring will not be accepted in the armed forces?

The Prime Minister: It is always important that promotion should take place based on individual merit and ability and not on other factors. There is no monitoring of ethnic origins in the armed forces at present. A review is being conducted, which is nearing completion, and an announcement will be made in due course.

Q3. **Mr. Home Robertson** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Home Robertson: Is the Prime Minister aware that my constituents do not want the Torness nuclear power station to be commissioned until such time as they can have satisfactory answers to vital questions about the Chernobyl disaster and about Scotland's future energy needs? As I received reliable information today about serious defects in the insulation of the reactor at Torness and about hot spots that may be having an effect on the steel and concrete linings of the reactor, will the right hon. Lady halt the loading of the reactor until those vital questions can be answered?

The Prime Minister: No, Sir. The matters that the hon. Gentleman raises are for the Nuclear Installations Inspectorate, which I am sure he is the first to recognise is an excellent inspectorate, with a superb record in this country.

Q4. **Mr. Hirst** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Hirst: Is my right hon. Friend aware that Bishop Mokoena, the leader of the Independent Reform Church in South Africa, with 4·5 million black Christian adherents, is presently in the United Kingdom, and has brought a clear message to the British people that, while apartheid is totally unacceptable, he believes that economic sanctions and disinvestment would be profoundly unhelpful and damaging to the South African people?

The Prime Minister: I have heard reports of the bishop's views. That underlines the view that we take, that any measures must be effective, to try to bring about the end of apartheid. Economic sanctions are punitive and negative in their effect. We are much more interested in positive measures if they can be shaped for that purpose.

Q5. **Mr. Allen Adams** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Adams: Is the Prime Minister aware that she failed to satisfy me last Thursday when I asked her or her Ministers to give me an assurance about the future of aero-engine production in Glasgow? May I now ask the Prime Minister, against the background of defence questions this

afternoon, whether she is prepared to give the House, Scotland and the United Kingdom as a whole a commitment about the future of shipbuilding on the Clyde and in Britain as a whole? Is there any point at which the Government will become involved in protecting British jobs in British yards?

The Prime Minister: The future of British yards, and also of British jobs in factories, will depend upon our securing the requisite orders. All Governments in power, of whatever complexion, know that.

Mr. Roger King: Has my right hon. Friend read reports that the Church Commissioners are not able or willing to withdraw investment from South Africa because it may affect the livelihood of the clergy in this country? Does it not follow that hundreds of companies and tens of thousands of work people in this country will be similarly affected if there are swingeing trade sanctions against South Africa?

The Prime Minister: I agree with my hon. Friend. That stresses the correctness of the view that the Government have taken, that the matter must be considered very seriously and deeply, along with our partners, because the purpose is not to hurt those whom we least wish to hurt, but to bring about an end to apartheid. Anything that we do must be directed towards that end.

Q6. **Mr. Ashton** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Ashton: Is it not a fact that the Prime Minister's party is now split down the middle on South Africa, just as it was on British Leyland, the Shops Bill and Westland helicopters? Yesterday even a former Prime Minister split with his party on the NHS. The alliance is now split down the middle on defence. Is it not a fact that the only party that is united in its policies in the House and fit to run the country is the Labour party?

The Prime Minister: Why did the previous Labour Government vote against sanctions in the United Nations? Why did the previous Labour Foreign Secretary say, about economic sanctions, that those who we do not wish to hurt would suffer most if economic sanctions were imposed?

Mr. Nelson: In answer to an earlier question by my hon. Friend the Member for Rutland and Melton (Mr. Latham) my right hon. Friend was rightly cautious about urging on King Hussein later today bilateral direct discussions with Israel. However, does not the presidency of the European Community later this year provide a golden opportunity for a forum for discussions for all the participants in the middle east, in which context the recent visit of President Assad of Syria to Greece is encouraging? May we hope that my right hon. Friend will place this high on her agenda of priorities?

The Prime Minister: It is a cause of concern that at present there is no initiative to solve the middle east problem. We come back in the end to two problems: who should negotiate along with King Hussein — who should be the Palestinians who truly represent the Palestinian people and who would also be acceptable for the negotiating process; and what form should the international grouping behind the negotiations take. So far we have not been able to come to a conclusion about that, but we must keep on trying. To that extent I agree with my hon. Friend.

Q7. **Mr. Roy Hughes** asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hughes: Will the Prime Minister pause to consider that, in the past 12 months or so, she has presided over a massive contraction of the British coal industry? Now there is speculation about a further 10 per cent. reduction in manpower in south Wales. In the post-Chernobyl era, is that not a grave mistake? Is not what is now needed massive investment in the industry to put it at the centre of the British energy industry?

The Prime Minister: As the hon. Gentleman knows, there has been massive investment in the coal industry — about £2 million for every day that we have been in power. He also knows that the coal industry has been doing very well and has had a record-breaking year for productivity, which is now over 3 tonnes per man shift. For industry to have a future it must be efficient, and the coal industry is becoming really efficient and working well.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: With the leave of the House, I shall put together the two motions relating to statutory instruments.

Ordered,

That the draft Merchant Shipping (Life-Saving Appliances Regulations 1980) (Amendment) Regulations 1986 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Dangerous Goods) (Amendment) Regulations 1986 be referred to a Standing Committee on Statutory Instruments, &c. — *[Mr. Archie Hamilton.]*

Remands in Custody (Compensation)

3.31 pm

Mr. Gerald Bermingham (St. Helens, South): I beg to move,

That leave be given to bring in a Bill to establish the right to compensation for time spent in custody prior to an acquittal; and for connected purposes.

The Bill is designed to overcome some injusticies which we may have in our system. Reaction to the Bill during the past few days from various journalists and members of the public has been one of surprise that in English law a person accused of a crime where there is a presumption of innocence who is then brought to court and remanded in custody—*[Interruption.]*

Mr. Speaker: Order. Will those hon. Members who do not want to remain in the Chamber please leave quietly?

Mr. Bermingham: It seems surprising to many that those who are remanded in custody and refused bail in respect of a matter which is denied by them, when they come to trial and are subsequently acquitted, are merely handed back their personal possessions and shown the door. There is no way in which the months, weeks and sometimes years in custody, sometimes with the loss of jobs, homes and livelihoods, and sometimes the break-up of the family, are compensated for by our society. That must surely be a blot on the fairness of our society. After all, a person who is remanded in custody before trial and found guilty has that time spent in custody before trial taken into account when the sentence is assessed. Therefore, the time that a person serves in custody stands to his credit when he is found guilty. A person who is found to be innocent, as many are in any one year, receives no credit for that time; it is simply ignored. The number of persons involved in such matters in a year is sometimes as many as 2,000.

Of course, it is easy for all of us to say that a person should not have got himself charged, but people are charged in respect of crimes that they do not commit. Cases which on the face of the papers appear to be so strong, the allegations so tough, crumble and fall under questioning.

A prosecuting counsel whom I know told me a lovely story about a case which on the face of it was perfect. He asked the complainant the first question and the case began to trundle, but by the third question he had thrown in his hand. First, he asked the complainant if he was Mr. So-and-So and the reply was, "Sometimes." The second question was, "Is that the man who is supposed to have hit you?" The complainant said, "No." In reply to the third question, "Who did hit you?", he pointed to somebody sitting in the gallery and the case was over.

The defendant in that case had spent 11 months in prison because the allegation was an extremely serious one. It was not the fault of the police officers or of the courts, but that man lost his job and his livelihood and has suffered many other personal hardships. At the end of the case he was simply handed his small change and other personal property and sent on his way.

Some years ago I sought to introduce a 10-minute Bill to limit the time that a person could be held in custody before trial. People asked me why I was doing it and I said that the Scots do it. They also asked me what benefit it would be. Two years later it is beginning to become part of our law. If there are limits on the time people can be held in custody, we will cut back on the 2,000 people I am talking about, because fewer people will be in custody.

If this Bill were to be given serious consideration by the House, it might prompt the courts to look again at the findings a couple of years ago of the Select Committee on Home Affairs about bail. That again would reduce the number of people to whom this Bill refers. No system is perfect, but eventually only a small number of people each year will be remanded in custody. They are denied bail, despite making all the applications, because of such factors as evidence that appears to be very strong but who, when they come to trial and justice begins to emerge, are found not guilty.

If we are to have a fair and balanced society, occasionally we have to look at matters like this which affect small numbers of people who, because of our system, will always escape whatever safety net we seek to put in place. Those people suffer real injustice. As I say, it is ironic that if one pleads guilty or is found guilty the time spent in custody stands to one's credit. However, if a person is found not guilty, time spent in custody stands to his loss. That is not fair. We can effect a remedy. I hope that the House will support the Bill, and will give it a Second Reading.

Question put and agreed to.

Bill ordered to be brought in by Mr. Gerald Bermingham, Mr. Gordon Oakes, Mr. Allen McKay, Mr. Tony Blair, Mr. David Clelland, Mr. Terry Patchett, Mr. Robert Parry, Mrs. Margaret Beckett, Mr. Richard Caborn, Mr. David Winnick, Mr. Guy Barnett and Mr. Kevin Barron.

REMANDS IN CUSTODY (COMPENSATION)

Mr. Gerald Bermingham accordingly presented a Bill to establish the right to compensation for time spent in custody prior to an acquittal; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 4 July and to be printed. [Bill 182.]

Opposition Day

[16TH ALLOTTED DAY]

South Africa

Mr. Speaker: I have selected the amendment in the name of the Prime Minister. Well over 40 right hon. and hon. Gentlemen have written to me expressing their wish to take part in the debate. There may well be other hon. Members who wish to take part. Between 7 o'clock and 9 o'clock I propose to limit speeches to 10 minutes. May I say to Privy Councillors who may be called before that time that I hope that they will bear in mind that there are other hon. Members who wish to take part in the debate.

Mr. Andrew Faulds (Warley, East): On a point of order, Mr. Speaker.

Mr. Speaker: Order. Is it connected with this debate?

Mr. Faulds: Yes, Sir. You will know, and the House is well aware — although it is often more regarded in its breach than in its observance — that if a Member of Parliament has interests he should declare them. Is it not incumbent on right hon. and hon. Members who have benefited from trips to the Republic of South Africa within the last year under the auspices of that Government to declare in this debate that they have done so, so that the House and the public can know why they speak as they do? *[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman well knows that we have an established Register of Members' Interests in the House in which trips to overseas countries are recorded. Obviously, if any hon. Member has a direct financial interest, he will declare it.

3.40 pm

Mr. Denis Healey (Leeds, East): I beg to move,

That this House calls upon Her Majesty's Government, in view of the worsening situation in the Republic of South Africa and in the light of the Report of the Commonwealth Eminent Persons Group, to work actively with the European Community, the Commonwealth and the United Nations for the imposition of effective economic measures against the Government of South Africa.

All hon. Members will agree that this is one of the most important issues which the House has ever debated, because the future of the people of South Africa and of the whole of the southern half of the African continent is at stake. The future of the Commonwealth is also at stake. Last year at Nassau the Prime Minister created a gulf between Britain and all other members of the Commonwealth, both old and new. If she deliberately widens that gulf this year, the Commonwealth may not survive. Moreover, Britain is a key member of all the international organisations now seized of the South African problem — the Commonwealth, the European Community, the Organisation for Economic Co-operation and Development and the United Nations. The Opposition deeply deplore the Government's refusal to send any representative to the United Nations conference in Paris on this problem this week.

Inside South Africa a situation already intolerable to all decent people has dramatically deteriorated in the past few days. South Africa 1986 is the embodiment of the world of George Orwell's "1984". We have in South Africa today a police state in which the Government's agents have a licence to arrest without explanation and to kill without being called to account. South Africa today suffers from a news blackout far more complete than any Communist country has ever known. *[Interruption.]* Even in Poland in the worst days of the Solidarity crisis, foreign journalists were always free to report on the persecution of Solidarity and to publish in the press or on television interviews with opponents of the regime. That is not possible in South Africa today.

Mr. Stefan Terlezki (Cardiff, West) *rose*

Mr. Healey: Armed men can break up church services, but no word may be published about what has happened. The apartheid regime has blotted out the truth in the blackest arctic night. Even before the latest state of emergency the Eminent Persons Group described the system in South Africa as "awesome in its cruelty." I am glad that the Prime Minister welcomed that report and I believe that—

Mr. Terlezki *rose*—

Mr. Speaker: Order.

Mr. Healey: You have appealed to all of us, Mr. Speaker, to limit our remarks, and I do not think that I would serve the House's interests if I were to give way in the first 60 seconds of my speech.

I regard the report of the Eminent Persons Group as one of the most valuable products of the Commonwealth. It is all the more impressive because it was compiled by men and women of various parts of the Commonwealth, with many different types of experience, most of whom have little or no previous personal knowledge of apartheid on the ground. The group included a Conservative ex-Prime Minister of Australia and a Conservative ex-Chancellor of the Exchequer of Britain, who has strong financial interests in South Africa as chairman of the Standard Chartered Bank. He was appointed to the group by the Prime Minister. I hope that the report, in its Penguin publication, will have a massive circulation throughout the world. I assume that the Prime Minister shares this hope.

The report describes in chilling detail a system in which the blacks outnumber the whites by six to one, yet whites have six times more land; a system in which the living standards of the whites are 10 times higher than those of the blacks; in which the state has used, and is still using, brutal violence on a colossal scale to uproot blacks from their homes and dump them in rural slums; and which separates husbands and fathers from their wives and children — in fact, makes 8 million blacks foreigners in their own land. The report describes a system in which the shooting or torture of political opponents is accepted practice and where the state systematically uses excessive violence against peaceful demonstrators against it, including mutilating the faces of schoolchildren with sjamboks. All this is to be found in the report.

On television last week, all that the Prime Minister could find to say about the system, after reading the report, was:

"It must be so irritating, so full of resentment. I understand how they feel."

Does she really understand? Can she really understand? Can she not see that on South Africa, as on so many issues

[Mr. Healey]

closer to home, her total incapacity to understand how the victims of society feel about their predicament makes her unfit for office in a democratic state?

Mr. Terlezki *rose*—

Mr. Healey: I am glad to say that the Eminent Persons Group was shocked and astounded by the reality of apartheid. It was equally astounded by the quality and moderation of those who oppose apartheid. It points out that for the first 13 years of this remorseless pressure the African National Congress remained loyal to Chief Luthuli's commitment to a non-violent struggle. It was only the massacre at Sharpeville which compelled them to reassess this commitment and even then the congress restricted its direct action to sabotage.

But 10 years ago another massacre in Soweto, in which most of the victims were children and a third were shot in the back, had an inevitable consequence. The provocation was more than flesh and blood could stand, but the Eminent Persons Group points out that, in the past 20 years, only 20 deaths have been the result of action by members of ANC when thousands were killed by the Government forces.

Mr. Terlezki *rose*—

Mr. Healey: Sit down. The Eminent Persons Group—

Mr. Speaker: Order. The hon. Gentleman knows that the right hon. Gentleman is not giving way and he must not persist.

Mr. Healey: The Eminent Persons Group found the leaders of the ANC and the United Democratic Front whom they met, to be men of moderation—

Mr. Terlezki: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I shall have to hear it, but is it a point of order?

Mr. Terlezki: Yes, Sir. I seek your guidance about whether I am entitled to ask the right hon. Gentleman—

Hon. Members: No.

Mr. Speaker: Order. I have told the hon. Gentleman that if the right hon. Member for Leeds, East (Mr. Healey) does not give away the hon. Gentleman must not persist.

Mr. Terlezki: There is no harm in trying.

Mr. Healey: They were found to be men of moderation who wanted to achieve a multiracial society by peaceful negotiations and prepared to suspend the use of violence to achieve it. I am again drawing upon the report which the Prime Minister has rightly praised.

Until very recently, the Government refused all contact with members of the ANC. Even now, they refuse to allow their Ministers to talk to the ANC, although American Ministers do so regularly. Instead, the British Government, like the American Government, chose the path of what they called constructive engagement with apartheid. The apartheid regime rewarded them with systematic deception. Again, I quote the Eminent Persons Group, which said:

"The SA Government has perfected a specialised political vocabulary which while saying one thing, means quite another".

The Prime Minister and President Reagan swallowed it hook, line and sinker. The House will recall being told by the Prime Minister two years ago that President Botha had agreed with her to take his troops out of Angola. They have been there ever since, even to the extent of blowing up American oil installations at Kabinda. Only last week they were shelling a port in Angola.

On 9 October 1984, the Foreign Secretary told us that there were encouraging developments in the Nkomati accord with Mozambique and rapid progress on Namibia; but President Botha broke the Nkomati accord even before the ink was dry, set up a puppet Government in Namibia and is now conducting military action against neighbouring Commonwealth countries, starting with attacks at the very moment at which the Eminent Persons Group was about to meet Ministers.

President Botha has played the Prime Minister and President Reagan for suckers. He finally admitted it last week when he said in his address to his own Parliament that countries which do not invoke sanctions against South Africa can continue to trade with her but cannot expect to exert any political influence on what the South African Government do, so that constructive engagement was a farce from the beginning. The Prime Minister herself agreed to that at Nassau last year because she signed a communiqué which said that the policy of constructive engagement was a failure in both of its objectives—ending apartheid, and getting freedom for Namibia.

It is sometimes argued that what happens inside South Africa is none of our business, but South African aggression against its Commonwealth neighbours is our business. It is the business of the whole of the outside world. This aspect of the problem has received far too little attention in the House and elsewhere.

Since 1980, the South African Government have engaged in systematic use of armed force against eight majority ruled states in the region. The list of its violations of international law makes a crime sheet of daunting terror. We have had South Africa invading the capitals of three independent countries and invading four other countries. We have had South Africa trying to assassinate the Prime Ministers of two neighbouring states. We have seen South Africa backing terrorism, which has brought two of its neighbouring states to economic chaos and which has caused grave disorder in two others.

South Africa has disrupted deliberately the oil supplies of six of its neighbours and it has attacked the vital railway communications of seven of its neighbours. In consequence of South African action in neighbouring states—these figures are quoted in the report—100,000 people have died and millions have been displaced. It cost the region $10 billion in the years 1980 to 1984—more than all the financial assistance that it received from the outside world. It is now costing the region about $5 billion a year.

Mr. John Carlisle (Luton, North): The right hon. Gentleman has referred to the alleged cost of South African actions. What would be the cost of the economic sanctions that the right hon. Gentleman supports to the rest of the Commonwealth and to the West if such sanctions were to be imposed?

Mr. Healey: I am very grateful, for once, to the hon. Gentleman, because that is precisely the point to which I am about to turn.

It is the cost already imposed by the apartheid regime on South Africa's Commonwealth neighbours which has led all of them, despite the real risk of economic sanctions, to support sanctions as the only means of shortening their agony. President Kaunda of Zambia used those very words this week on BBC radio. It is no good the hon. Member for Luton, North (Mr. Carlisle) shaking his head. That is President Kaunda's view. He knows better what is in the interests of his country than a Member of Parliament who has accepted hospitality from the apartheid regime in South Africa.

If the present situation continues, agony it will be. In introducing his report the other day, Mr. Malcolm Fraser said that the slaughter and bloodshed would be worse than in Vietnam. The Commonwealth group as a whole said that it

"could be the worst bloodbath since the Second World War."

And it is a bloodbath, as Mr. Fraser pointed out, that the blacks are bound to win in the end but that they want to avoid, if humanly possible.

The Eminent Persons Group describes the leaders of the African National Congress and the United Democratic Front as men of goodwill who want a multiracial society. I prefer its views to those of the prejudiced bigots who sit below the Gangway on the other side of the House. But the Eminent Persons Group also reached the conclusion that there cannot be peaceful negotiations unless effective economic measures, as set out in paragraph 352 of the report, are applied by the outside world. The key paragraph of the report is the penultimate one, paragraph 354. It says:

"The question in front of Heads of Government is in our view clear. It is not whether such measures will compel change; it is already the case that their absence and Pretoria's belief that they need not be feared defers change."

That is a direct condemnation of the Prime Minister by a jury of her peers, a jury that she helped to appoint. It was her action at Nassau that prevented effective action by the Commonwealth and she gloated about it when she came back to Parliament. If she were to veto action once again, the delay could be fatal for South Africa and inflict lasting shame on her Government, a shame from which I fear the British people as a whole could not escape. Indeed, if the Prime Minister vetoes action once again, then, as Mr. Fraser made clear, the Government who emerge from a decade of mounting violence will be bitterly hostile to Britain and the West. All our economic interests will be destroyed and all our hopes of political influence will be gone. We have seen this already in Angola and Mozambique, and we would have seen it in Zimbabwe if Lord Carrington had not persuaded the Prime Minister to reverse her policy just in time.

The future of South Africa is even more important than what has happened in other neighbouring countries. South Africa has a major population, important natural resources, a developed industry and a large mass of skilled manpower. It also occupies an important strategic position. To throw those assets away because of the imperious vanity of one person would be inexcusable folly.

How we tackle this important issue may yet determine whether the Commonwealth survives as an institution. I regret warnings given by some Commonwealth leaders that they may leave the Commonwealth if the Prime Minister exercises her veto again.

Mr. Nicholas Winterton (Macclesfield): Good riddance.

Mr. Healey: I hope that they would not carry it out, because within two years we shall have another British Government which will have a very different policy on South Africa.

The Government cannot ignore those warnings, nor, as the Prime Minister knows, can the Palace. If the Prime Minister prefers to use the word "measures" rather than "sanctions" to save her face, I have no objections, nor has the Commonwealth, although I am bound to say that, in a discussion with me on television last week——

Sir John Biggs-Davison (Epping Forest): On a point of order, Mr. Speaker. Is it in order for a right hon. Gentleman to seek to involve the Palace in a debate in support of his argument?

Mr. Speaker: Order. I do not think that the right hon. Gentleman was wrong. However, it is not in order to use members of the Royal Family to influence the debate in any way.

Mr. Healey: I am grateful for your advice Mr. Speaker.

Mr. Robin Maxwell-Hyslop (Tiverton): Further to that point of order, Mr. Speaker. It must be in order, because it cannot be avoided in this debate, to point out the position of one who is the Queen of the Commonwealth and not just of the United Kingdom.

Mr. Speaker: Order. The hon. Gentleman knows "Erskine May" as well as any hon. Member. He knows that it is not in order to use members of the royal family to advance arguments in a debate.

Mr. Allan Roberts (Bootle): Further to that point of order, Mr. Speaker. Although I accept your ruling that it is not in order to use members of the royal family to further an argument, cannot one refer to the Head of State and to the Head of the Commonwealth?

Mr. Speaker: Order. I think that I can clear this matter easily. I have already said that the right hon. Member for Leeds, East (Mr. Healey) was in order to refer to the Palace, but that it is not in order to use members of the royal family in advancing an argument.

Mr. Maxwell-Hyslop: Further to that point of order, Mr. Speaker. This is not a superficial matter. It is wholly out of order in the House to criticise the Monarchy. It must be in order to debate the position in which the Head of the Commonwealth is placed by policies that may or may not be advanced.

Mr. Speaker: Order. That is not in dispute.

Mr. Healey: I thank you for endorsing my words, Mr. Speaker, which were used at Prime Minister's Question Time today, and have been used by hon. Members at other times.

The arguments that the Government are using against sanctions look increasingly threadbare and contradictory. The first argument, which the Prime Minister uses every time that she appears on television, is that they never work; but if they never work, why did she impose sanctions on Poland, to deal entirely with the internal situation, on Argentina, Libya and Iran, and accept them on Zimbabwe by not opposing them when in opposition? She knows as well as I do that the sanctions imposed on Iran, Argentina and Zimbabwe played an important role in the resolution of those issues.

The United States is also operating sanctions against Nicaragua, and when it was accused yesterday of some

[Mr. Healey]

inconsistency a spokesperson of the State Department said that if South Africa were a Communist dictatorship, it would be different. I suspect that that is the secret, private view of the Prime Minister.

The second argument is that sanctions would hurt the blacks and the front-line states, which would not like them. However, all the representatives of the blacks except Chief Buthelezi have argued that they want sanctions in order to shorten their agony, and this is the argument used by the front-line states as well because, like the Eminent Persons Group, whose work the Prime Minister has commended to us, they see sanctions as offering the only hope of promoting dialogue between the regime and the blacks.

I find it slightly disgraceful that the Government sneer at countries such as Bermuda and Australia that might make economic gains out of sanctions, but sneer even more loudly at Governments that support sanctions but know that they will suffer as a consequence. I find that profoundly distasteful and typically graceless of the Prime Minister.

The Prime Minister's real concern is with her view of Britain's economic interests. I remind her that in 1986 we are not talking of economic interests as they were in 1946, 1956, 1966 or 1976. The value of our investments has already fallen by half with the value of the rand, and more and more British companies as well as multinationals are getting out as fast as they can. There is the imminent prospect of the South African Government imposing exchange controls, which will prevent British companies from repatriating their profits, and an immediate prospect of South Africa defaulting on its debts. South Africa is no longer a shining pillar of industrial enterprise. It is sliding fast into the condition of the banana republic.

Why do the Government oppose sanctions? Having read the Government's amendment, I ask myself whether they oppose sanctions. The Government's amendment would be quite acceptable to me, provided the omission of the word "economic" does not exclude economic measures. The objectives that the Government set out in their amendment are acceptable, as I have already made clear. Indeed I was tempted to accept the Government amendment when I started, and if the Foreign Secretary can allay my doubts about the meaning of the amendment I may still discuss with my right hon. and hon. Friends the possibility of accepting it.

Make no mistake, if the Government mean what they say, and if the words are not part of the South African vocabulary that long contact has led the Government to adopt, they are committing themselves to a course of action that means increasing pressure on the apartheid regime, steadily over a number of years, until it finally agrees to negotiations.

The objective set by the Government—the suspension of violence — has been accepted by the ANC and rejected by the South African Government. Any effective measures taken at this time must, as a minimum, mean all the measures on which other members of the Commonwealth agreed at Nassau, plus the measures now being put to the American Congress which, I gather, are certain to be passed by the House of Representatives and perhaps the Senate.

I believe that circumstances will compel the outside world to increase pressure on South Africa as the crisis deepens and as the slaughter mounts. We would be wise to consider — I hope that the Government are considering it — graduating economic and other measures to be applied at intervals, as envisaged at the Nassau meeting, until finally netgotiation takes place.

If that is what the Government are recommending to the House, that is fine by me. If not — if they are simply weasel words by which the Government hope to escape criticism and responsibility for a few months — I warn them that they are riding straight for disaster. If the Prime Minister believes that she can, once again, come out of a a Commonwealth summit bosting that she has outwitted her colleagues, that she has given only a "tiny bit" of what they asked for, she will be condemning this country and the Commonwealth to disaster.

I put to the Prime Minister and her colleagues that, at this time, manner is almost as important as matter. We in Britain have become used to the chilly indifference of the Prime Minister to human suffering. We are used to her armour-plated complacency on issues where her ignorance is total. We are used to it, but we are also sick and tired of it. We cannot accept the monstrous, sacro-egoismo which allowed her to say on television last week, "If I were the odd one out and I were right, it would not matter, would it?"

I ask the Prime Minister to recall that she is not always right. She nearly wrecked the negotiations in Hong Kong before they started by her disastrous pontificating in Beijing and Hong Kong from which the Foreign Secretary, doughty fighter for British interests that he is, finally rescued her. She would have wrecked the negotiations on Zimbabwe if the then Foreign Secretary had not pulled her back from the brink. She could have brought down the Government on the Westland and British Leyland affair earlier this year by her certainty that she is always right. If she allows her fatal, conditioned reflexes to determine her actions on this crucial question, she will bring disaster to Britain, the Commonwealth and the whole of southern Africa.

4.13 pm

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I beg to move, to leave out from 'House' to the end of the Question and to add instead thereof:

'calls upon Her Majesty's Government, in view of the worsening situation in the Republic of South Africa and in the light of the Report of the Commonwealth Eminent Persons Group, to work actively with the European Community, the Commonwealth, and the Economic Summit Seven countries for effective measures which will help achieve a peaceful solution in South Africa based on negotiations and a suspension of violence on all sides.'.

The right hon. Member for Leeds, East (Mr. Healey) has engaged the House with a characteristically simplistic opening to the debate. He closed by enunciating a number of the Government's achievements — the conclusion of the Zimbabwe independence negotiations, the conclusion of the Hong Kong joint declaration, the conclusions of the Commonwealth-Nassau declaration, and the conclusion of the Fontainebleau summit of the European Community. The achievement of each of those successes was due to the leadership of the Government by my right hon. Friend the Prime Minister.

The right hon. Gentleman referred to the concept of imperious vanity. There is no more outstanding example in the House of imperious vanity than the right hon.

Gentleman. I do not want to be unfair to the right hon. Gentleman, but if I had to identify one consistent thread running through his entire approach to foreign policy, it would be his insistence that Britain should now do everything that it did not do when his party was in government. The right hon. Gentleman has become an echo of his pupil's voice. If the problem were as easy to solve as the right hon. Gentleman suggests, it would have been solved long ago.

I am able to start the debate from one plain piece of common ground. On behalf of the Government, I join the right hon. Gentleman in expressing our complete and absolute condemnation of apartheid and indeed of racialism wherever it is practised in the world. I have visited South Africa only once. That visit included a visit to Soweto under the guidance of a black community leader. Those responsible for my arrangements had not found it possible to organise such a visit in my programme.

We entered the township in Soweto 10½ years ago without a pass and without leave. Whenever we saw a South Africa police vehicle — the presence of such vehicles was not inconspicuous — we had to turn quickly out of sight. Our guide felt and had to behave as if she were — I take the graphic phrase from the report of the Eminent Persons Group — "an alien in her own country". That was an alarming and a deeply moving experience. We forecast with unhappy precision almost exactly the tragic explosion of violence that occurred a few months later, 10 years ago. Such incidents are inevitable in a society that has institutionalised the denial of human rights, that has done so, and continues to do so, explicitly on racial grounds. That is the vice of apartheid, which is condemned by all hon. Members.

In January, President Botha, reaching forward to a better future, described apartheid as "outmoded". No phrase could have been more revealing because, for the rest of the world, such institutionalised discrimination has never been acceptable. Apartheid casts a heavy shadow, not only over South Africa but over the entire region. It is the defence of that indefensible system that has brought South Africa into conflict with her neighbours. For the people of this country, for successive Governments of this country, the problems of South Africa and the impact of apartheid have been for decades a cause of profound and growing anxiety.

We have major economic interests in South Africa. That fact was completely ignored by the right hon. Gentleman. He took no account of the extent to which British capital, skills and people have contributed much to South Africa's economic vitality. In considering the measures we should adopt to promote change in South Africa, it would be quite wrong to overlook completely the fact that up to 120,000 jobs in this country still depend directly on trade with South Africa. One is entitled to ask: what guarantee is there that, if those jobs were destroyed in Britain, they would not be recreated elsewhere in the world?

Mr. Allan Roberts: Does the right hon. and learned Gentleman agree with the statement by the President of Zimbabwe that, by not applying sanctions, the British Government are protecting British interests in South Africa but, unless sanctions are applied, those interests will go up in flames?

Sir Geoffrey Howe: I do not propose to deal with the speech of the President of Zimbabwe.

In considering the difficult balance that we must strike, it would be wrong to disregard entirely those interests. There are other ties as well. It is estimated that there are at least 2 million persons of British birth and descent in South Africa, of whom 800,000 or more may be entitled to claim the right of abode in this country. All those people aspire to play a part in the development of South Africa; so, too, do all the other peoples of South Africa — so, too, does the black majority — yet, for all of them, that future is at risk, if it is to be dominated by armed struggle, racial conflict and bloodshed. Much more than their future will be at risk, if the South Africa that eventually emerges from such conflict sees itself as having done so in the face of opposition from Britain or the West.

It is against that background that my right hon. Friend the Prime Minister and I have repeatedly made plain the objectives of our policy towards South Africa. We wish apartheid to be brought to an end at the earliest possible date. We wish to see established in its place a non-racial society with democratic, representative government and with proper safeguards for all minorities. That can be the only secure foundation of a prosperous South Africa, living in harmony with its neighbours. We wish those changes to be brought about peacefully, without violence, by dialogue and reform, not by revolution.

It would not help in any way to promote change of that kind if we were to implement policies that would ruin the South African economy, risk economic upheaval for South Africa's neighbours, fuel an explosion of mounting racial strife and tribal violence and risk possibly grave consequences for racial tolerance throughout the world. It is precisely to avoid such consequences that we have for so long concerned ourselves with the future of South Africa and of all its people.

In that context, it is wrong to see the question of "sanctions" — to use that hard-worked, over-simplified word — as though it is one that has arisen today, this year, last year, for the first time. For years, successive British Governments have been taking measures to hasten the process of peaceful change in South Africa. Those measures have helped to press the case for change in South Africa; so, clearly, too, have the mounting pressure of events in South Africa and the growing economic pressures from the world outside. Increasingly, the judgment of world capital markets has been bringing home to South Africa the urgency of the need for far-reaching change. Changes have been made but, so far as I could hear, the right hon. Member for Leeds, East did not acknowledge them. It is only right that we should acknowledge them.

Mr. A. J. Beith (Berwick-upon-Tweed): Were not the banks facing precisely the risks which the right hon. and learned Gentleman has just described for the South African economy when they threatened not to reschedule South Africa's debt? Was that not the most powerful instrument for change that we have seen in recent years?

Sir Geoffrey Howe: Measures of that kind taken as part of the course of business dealings are measures from which neither party can sensibly escape. They strike home dramatically and plainly on those responsible for deciding matters concerning the economy. They are different from measures of the type under discussion being imposed collectively by the world outside.

In the past year or two, we have seen the repeal of much petty apartheid, including the Mixed Marriages Act,

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section 16 of the Immorality Act and the Prohibition of Political Interference Act. Those matters cannot be brushed aside. We have seen fundamental reforms in labour legislation and the extension of freehold rights to urban blacks. Only a few weeks ago, a Bill to reform the pass laws was introduced. A year or two ago, those changes would have been beyond imagination. One must acknowledge that they have been made.

Dame Judith Hart (Clydesdale) *rose*

Sir Geoffrey Howe: Most members of the South African Government no longer try to defend the apartheid system. They have recognised the need for fundamental reform.

Dame Judith Hart: Will the right hon. and learned Gentleman give way?

Sir Geoffrey Howe: I am sorry; I shall not give way at the moment.

The South African Government have begun to find the courage to make a start on that task, but they have not yet found the final courage of conviction that apartheid in all its guises must be swept away. That conviction is necessary. In the absence of that commitment, the tide of violence has continued to rise. That tide reflects the anger and frustration of people who, in the words of the report of the Eminent Persons Group, are

"no longer prepared to submit to the oppression, discrimination and exploitation"

of apartheid.

It is still possible to assert that what is going on in South Africa is primarily a matter of law and order, but that is to miss the real issues. Of course we must recognise that there is an internal security problem in South Africa. No one who learned of the Durban bomb explosion on Saturday or heard of the appalling necklace killings or other incidents of brutality in the townships can fail to have been chilled by what is happening. We cannot, and must not, turn a blind eye to that. Such action will not bring justice in South Africa one day nearer but, as the report of the Eminent Persons Group rightly pointed out, violence is firmly rooted in the apartheid system. Treating the diverse forms of violence only as a security problem, without tackling the underlying cause of the problem, can only make things worse. It is that underlying problem, the nature of the system itself, that stands in need of change —change not by violence but by dialogue, in the context of a suspension of violence on all sides.

It was for that purpose that last autumn the international community decided to put in place a series of additional measures designed to hasten the process of change — the United States Congress on 9 September, the European Community countries at Luxembourg on 10 September and, finally, the Commonwealth at Nassau on 20 October. In none of those cases was the approach based solely on taking measures against South Africa.

The Commonwealth's approach, particularly, was combined with a political initiative. The establishment of the Eminent Persons Group was a far-sighted endeavour to break the impasse and to end the cycle of violence. We arrived at that conclusion as a result not of the "isolation" of my right hon. Friend the Prime Minister but of our determination to act in concert with the rest of the Commonwealth in support of the establishment of the group. The Eminent Persons Group could never have been put in place without the energetic support of my right hon. Friend the Prime Minister.

Mr. Frank Cook (Stockton, North): Will the right hon. and learned Gentleman explain why he finds it so necessary to oppose economic measures in the instance of South Africa when, within the Commonwealth, he countenances the application of economic measures against a Commonwealth ally simply because of its reluctance to have nuclear weapons within its territory? I refer to New Zealand.

Sir Geoffrey Howe: I am afraid that the hon. Gentleman's intervention is a mile from the point under discussion. We shall look forward to hearing his views on relations between this country and New Zealand in a different context and at a different time.

When we met at Nassau and contemplated the possibility of forming the Eminent Persons Group and creating a political initiative that would help to find a way forward in South Africa, my right hon. Friend the Prime Minister had clearly in mind the part played by the Commonwealth some years before at the Lusaka conference. But on that occasion, it was the intervention by the Commonwealth that created the circumstances in which it was possible for the Government under my right hon. Friend's leadership to bring about a solution to the long-standing problem in Rhodesia and Zimbabwe. It is a matter on which the Government and my right hon. Friend are entitled to massive credit. The problem eluded solution for years under the Labour Government. We concluded that the Commonwealth conference at Nassau was right to try to formulate an initiative that would pave the way forward for a new solution in South Africa.

Mr. Faulds: Is not the right hon. and learned Gentleman—for whom the House has much regard and for whom I have a great personal regard—as a major Minister speaking from the Government Benches on this momentous and appalling issue ashamed of himself to be speaking in such feeble terms?

Sir Geoffrey Howe: I am deeply moved by the regard in which the hon. Gentleman claims to hold me, although I am continually astonished by the way in which he chooses to express it.

Mr. Faulds: I love the right hon. and learned Gentleman but he does not deserve it.

Sir Geoffrey Howe: I bask in glory at that tribute.

The Commonwealth group showed the range of expertise and experience that the Commonwealth can offer. The fact that we were able to fashion that group underlines the importance of the Commonwealth to this country and the world. What is more important is that the initiative attracted growing support, not just from the Commonwealth but from the rest of the world.

The group was set a specific task by the Commonwealth Heads of Government: to encourage the process of peaceful political dialogue in South Africa in the context of a suspension of violence on all sides.

The Commonwealth Heads of Government called upon the South African Government to take a series of specific steps: to declare that the system of apartheid would be dismantled and to set out what specific actions it would take to achieve that end; to terminate the state of emergency; to release immediately and unconditionally

Nelson Mandela and all others imprisoned or detained for their opposition to apartheid and to establish political freedom, in particular by lifting the ban on the ANC and other political parties. One has only to read that list to regret the lack of progress that has been made.

However, the group was able to make much more progress than many expected. It was able to overcome the initial climate of suspicion and distrust. It offered the South African Government an unprecedented opportunity to break out of the vicious circle of violence. The group offered the negotiating concept which it had discussed with opposition groups and Nelson Mandela. It must be to the great regret of the House, as it is to my right hon. Friend the Prime Minister and myself, that the South African Government have so far declined to take that opportunity. The way ahead is inevitably more difficult. We shall still urge upon the South African Government the need to be ready to think again about that.

Even if the group did not secure the breakthrough for which we all wished, it has charted a course for the negotiations that must eventually take place. It has identified many of the obstacles ahead and some of the ways round them. Its mission would have been worthwhile for that alone. We all owe the Eminent Persons Group a debt of gratitude for the dedication and effort it brought to its task. I am sure that the House will join me in extending our warmest thanks to the group.

Mr. Neil Kinnock (Islwyn): I echo the debt of gratitude to the Eminent Persons Group. The right hon. and learned Gentleman has frequently referred to negotiations, as has the Prime Minister, and he has referred to dialogue. Does he realise that the Eminent Persons Group said that the concrete and adequate progress which it looked for has not materialised? It says:

"in recent weeks the Government would appear to have moved consciously away from any realistic negotiating process."

I live in hope, as does the right hon. and learned Gentleman. However, what grounds for hope has he got that the Botha Government will enter into any realistic negotiations?

Sir Geoffrey Howe: It is because the group concluded as it did that the House is contemplating the motion and the amendment for the consideration of measures in that context. One must still believe that the mission, which went as far as it did, which helped to identify the way in which negotiations could take place, can be our starting point.

Whatever our standpoint, even starting from the position of the right hon. Member for Islwyn (Mr. Kinnock), we must ensure that the contribution made by the group is not wasted. In the end—sooner, rather than later, we must all hope—the only way forward is to be found by dialogue and negotiation. If the task is harder today than it was six months ago—and it surely is—the objectives must surely remain the same as those defined at Nassau.

Mr. Maxwell-Hyslop: There are one or two questions to which my right hon. and learned Friend has not yet addressed himself. Is it not the case that South Africa is the only country to which Britain has ever given independence without the entire population being entitled to elect the successor Government? Therefore, does that not give us a particular obligation, which we have in no other circumstances?

Secondly, my right hon. and learned Friend rightly refers to peaceful negotiation and the consequences. However, if South Africa threatens or executes military action against its neighbours such as Botswana, or strangles them economically, should we not warn South Africa that that is an act of war, which will be met accordingly?

Sir Geoffrey Howe: My hon. Friend has raised two points which he obviously intends to develop later. They are both points which deserve further examination. In answer to my hon. Friend's first question I would say that I am not sure that he is right in his historical analysis. He generally is right. Certainly, the background of South African independence is one reason, not the only reason, for substantial and continuing concern by this Parliament on the future of South Africa.

Two propositions stand out today with even greater clarity than before. First, it becomes increasingly clear that, in the long run, the forces of law and order in South Africa will be able to maintain the peace only if their authority is founded clearly upon the consent of all the races in South Africa. That lesson must be learned and applied.

Secondly, it is also increasingly clear that the key to the commencement of dialogue, if one has to try to find one key, is the unconditional release of Nelson Mandela. That must be seen as the most important act of reconciliation that is necessary to pave the way for peace.

Mr. John Townend (Bridlington) *rose*—

Sir Geoffrey Howe: It is to secure swift progress in that direction that we need, as our amendment points out, effective and co-ordinated international action. As my right hon. Friend the Prime Minister said on 13 June:

"We have to consider what would be the measures that would be most likely to bring about the change we all wish to see, which is the end of apartheid and the black people of South Africa having rights which they do not have now, rights to take part in the democratic process of the country."

My right hon. Friend's words are an accurate description of our objectives. The right hon. Member for Leeds, East has argued that only the imposition of sweeping measures aimed directly at the South African economy can force that progress. The Eminent Persons Group reaches no conclusions as to the measures which should be adopted.

Mr. Healey: The right hon. and learned Gentleman must be aware that the Eminent Persons Group says:

"We are convinced that the South African Government is concerned about the adoption of effective economic measures against it. If it comes to the conclusion that it would always remain protected from such measures, the process of change in South Africa is unlikely to increase in momentum and the descent into violence would be accelerated. In these circumstances, the cost in lives may have to be counted in millions . . . it is already the case that their absence, and Pretoria's belief that they need not be feared, defers change."

If that is not a demand for economic measures to influence the South African Government, what the devil is it?

Sir Geoffrey Howe: The Eminent Persons Group plainly leaves it, as the Commonwealth Heads of Government did, which is absolutely right, for the Commonwealth Heads of Government to consider and decide what measures should now be taken. It is in those circumstances that the House is now considering it.

All experience teaches us that such measures directed at the economy of a country, punitively on a universal

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basis, are most unlikely to be effectively enforced worldwide. The right hon. Member for Leeds, East cited the case of Poland. He must know that in that case economic measures did not produce the effects intended. He cited the case of Rhodesia and he must know that they did not produce the effects intended in that case. If ever they were to be applied in that way to South Africa, their effect would be almost entirely negative. No one should under-estimate the length of time for which resistance within South Africa could be maintained if that economy was seen to be under seige. Meanwhile, there would be severe and long-term consequences for the whole of southern Africa. That is the basis on which the Government are now considering, in consultation with the international community, what measures should be put in place. I shall tell the House the principles that we should have in mind when considering that question.

If such measures are to be effective, any steps that we take must be directed not at the destruction of the South African economy but at influencing opinion in South Africa more firmly in the direction of reform. If they are to be effective, any steps that we take must give the South African Government the incentive to respond positively rather than the excuse to retreat still further into isolation. If they are to be effective, any steps that we take should be designed to encourage the South African Government and the South African business community to press ahead with the agenda of reform. If such measures are to be effective, any steps that we take should be calculated to command, and should secure, the fullest international support at every stage. In the absence of such support, any action would be no more than an empty gesture.

As my right hon. Friend the Prime Minister told the House last Thursday, we shall now be in touch with

"our Commonwealth partners, our European partners, and our economic summit partners to discuss this report."—[*Official Report*, 12 June 1986; Vol. 99, c. 490.]

As the House knows, the seven Commonwealth Heads of Government appointed at Nassau, including my right hon. Friend the Prime Minister, will be meeting for that purpose in early August in London. We shall of course be in touch with the other Commonwealth Heads of Government long before then.

Meanwhile, we are consulting with Governments of the summit seven. Within Europe, consultations have already begun. At yesterday's meeting of the Community's Foreign Affairs Council in Luxembourg, we had an exchange of views, and commissioned an urgent report from our Political Directors. The Government will be taking a leading and active part in all of these discussions.

As stated in the amendment, which I commend to the House, we shall be working for measures that will be effective in helping to achieve a peaceful solution in South Africa.

Mr. Tony Banks (Newham, North-West) *rose*—

Sir Geoffrey Howe: South Africa is a land that we all know to be rich in human and other resources. Yet today South Africa stands closer to a future of violence and misery than ever before. That prospect can be averted only by a process of genuine dialogue and reconciliation. That requires two things: first, the total renunciation of apartheid in all its forms, and secondly, the suspension of violence. Only the Government and peoples of South Africa can achieve those things. Above all, it is for the South African Government to act, and act now.

Mr. John Hume (Foyle) *rose*

Sir Geoffrey Howe: The international community acting together, can and should take steps to encourage the South African Government to take that action. This Government can and will work actively with our international partners to promote that action now, before it is too late. I invite the House to support the amendment.

4.42 pm

Dr. David Owen (Plymouth, Devonport): It must be clear to anyone who listened to the Foreign Secretary's speech that the Government have not made up their mind what, if anything, they intend to do. That may be an advantage to us all, because this debate has come early enough to influence possibly some of the decisions. Indeed, it is helpful to us that the Prime Minister is in her place in the Chamber. No one is under any illusion but that it is the Prime Minister who will determine whether this country takes the responsible action now necessary to maintain the unity of the Commonwealth.

I believe that an important crack has appeared in the solid facade that white South Africa has presented to the world. There are signs of a crack in the moral judgment of the Dutch Reform Church. Its council is meeting in October, and there are signs that if we can bring international pressure to bear, through the whole international body of Churches, an extremely important change may be made in those very things that underpin apartheid. I say to the Prime Minister that on this issue, above all, a little more genuine moral indignation about what is going on in South Africa would not come amiss.

Without indulging in moral judgments, there is still a desperate need to show that this country is prepared to pay a price in order to live up to our feeling of moral repugnance at what is going on inside South Africa. We must not judge every economic action that may be necessary by the cost to us. There will be costs. Let us evaluate them carefully and make effective judgments.

There has also been a shift of National opinion. It is only a start, but National Members of Parliament are no longer an absolutely solid block. Many of them have understood that they can no longer mend their fences or build bridges back to the far Right. The far Right has chosen its course, and the Nationals are increasingly having to keep the support of the majority of the whites in South Africa, which often includes the English-speaking population. There is now a grouping that goes across Afrikaner and English-speaking South Africans.

There is a major crack, which could become a fissure, in the business and commercial community. It is only too well aware that the pressures from the international business world are increasing so savagely that it will not be long before the economy can no longer stand the strain. The withdrawal of confidence and the private bank actions of last year and this year were of crucial importance in that regard.

Against such a background, what action is needed? Any sanction or measure must have the support of the entire international community. We saw what happened in Rhodesia without the solid support of the international community. But before the Prime Minister can pray in aid

the failure of sanctions on Rhodesia, she should acknowledge that one of the greatest weaknesses was that the common border between Rhodesia and South Africa was openly and totally breached with the full connivance of the South African Government.

Furthermore, only a brief reading of the Bingham report shows that successive British Governments connived in the breaking of sanctions. Therefore, it does not lie in the mouths of right hon. and hon. Members to say that sanctions did not work in Rhodesia. Nevertheless, for 15 years sanctions were one of the only ways of showing the world's condemnation of what was going on inside Rhodesia. Although ultimately the armed struggle was the critical pressure, no historian of the independence of Zimbabwe will ever say that sanctions had no impact on the Smith regime. They did. The tragedy was that they could have been much more powerful, and that if they had been carefully and determinedly applied, the armed struggle would not have reaped such a toll.

Mr. Jim Spicer (Dorset, West): Will the right hon. Gentleman give way?

Dr. Owen: No, because Mr. Speaker has asked us to be brief.

Mr. Spicer *rose*—

Dr. Owen: All right; I will give way to the hon. Gentleman.

Mr. Spicer: The right hon. Gentleman has made it clear that he believes that sanctions can be effective only if they have total support. He was Foreign Secretary when we had an arms embargo that in theory had the support of the whole world. Yet he must have know, as everyone else did, that although we honoured the embargo throughout that period, other countries were supplying arms on a massive scale. There was no problem whatever from the South African Government.

Dr. Owen: The hon. Gentleman has made my point. The arms embargo was dishonoured when it was not mandatory. But from 1977 onwards, when it became mandatory, there were many fewer breaches. There were some minor but important breaches, but a fundamental change came about when mandatory sanctions were applied in 1977. The South Africans have developed an arms industry, and if we take action, they will, of course, develop their own indigenous supplies.

However, I turn to the specific areas in which this Government should lead international opinion in taking action against South Africa. First, they should recognise that we must cross the threshold of economic sanctions. The best way of doing that is to put a ban on new investment. That would not have an immediate impact. It would not immediately create mass unemployment, but it would be the clearest and most positive signal to South Africa's business community that the squeeze was being, and would be, relentlessly applied. The South African Government know that there must be a topping up of new investment year in, year out, if the economy is to deal with the demographic and social problems and the strains which are imposed upon it.

It would be beneficial if we could devise an international strategy that would restrict loans to South Africa, but we should be under no illusion that other than for direct Government-to-Government loans that would be difficult to apply. There has been a good deal of experience in this, following the United States attempt to ban loans to Iran. The legislation that the United States Government introduced then and, indeed, the legislation that is before the Senate and the House of Representatives at the moment on the banning of private loans as well might be helpful. That is the most important economic pressure. It will bite slowly but it will be a clear indication to the South African Government that the patience of the international community is fast running out.

The other measure to which I should like to give serious consideration is a ban on direct intercontinental air travel into South Africa. Understandably that causes concern in this country as there are 800,000 people in South Africa with United Kingdom passports. People feel that they would not be able to visit relatives in South Africa. They are afraid that if relatives were ill, they would not be able to go there to visit them in hospital. But there would not be a total ban on air flights into South Africa; it would be a ban on direct flights. Humanitarian flights through the rest of Africa would still be allowed; people could fly out of and into South Africa only by flying to an airfield which was in the control of a black African Government. For the first time, the balance of power in Africa would be tilted in favour of the black states. The problem at the moment is that the black states, particularly those surrounding South Africa, are dependent on rail links into South Africa and out through South African ports.

The House has only to think what would happen were there to be a ban on all intercontinental direct flights into South Africa. The ban would have to be applied by the Swiss as well. It is no use having an exclusion clause for flights to Zurich and Geneva. If there were a total ban on intercontinental direct flights, business men would have to travel through black African countries. If the South African Government carried out a raid against Gaborone, Harare or Lusaka, as they did in outrageous circumstances a few weeks ago, those black African states would no longer allow direct flights between their countries and South Africa and the whole balance of power would have shifted—

Mr. John Carlisle *rose*—

Dr. Owen: No, I shall not give way. The hon. Gentleman can make his statements in support of the South African Government later in the House or, as he frequently does, elsewhere.

The banning of direct flights would exert powerful pressure, which should be applied now.

One other sanction has been much discussed—it has been suggested by the Commonwealth and also by the Dutch Government in the European Community—namely, whether we ought to take action against trade in fruit and vegetables. I need to be convinced about that. The best argument for it is that it would be a way of impacting on the Afrikaans farmer. I think that such action could be evaded and would not have much pressure, but, in singling out the different groups of people to whom we have to bring home the impatience of the world, the Afrikaans farmer is an important element. That sanction might be undertaken in the full knowledge that over the medium term it might not have a great impact, but in the short term, until it could be evaded, it might have a psychological impact.

Mr. Robert Jackson (Wantage): Does the right hon. Gentleman accept that many people in fruit farming in

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South Africa are not Afrikaners? Much more important, does he accept that the people who work on fruit farms — the blacks — are often the worst paid and that they would immediately be the most severely hit by that sanction?

Dr. Owen: I agree that that is an objection, but we have to take account of the fact that those black workers, not just their leaders, are saying loud and clear that they want sanctions to be applied. [HON. MEMBERS: "No."] Time and again we hear from Conservative Members, who risk neither their lives nor their income, that no sanctions should be taken. The fact is that black South Africans are now prepared, as events increasingly show, to risk their lives. They are prepared to lose their income. They went on strike yesterday to remember the massacre in Soweto. They lost their income when they did that. It is not a question that they are not prepared to make a sacrifice. Is this country not prepared to make any sacrifice?

The honest answer must be faced: that there is now a mood in South Africa among the blacks that they are prepared to endure sacrifices to win their freedom. The whole history of the independence movement in South Africa has been that people have been prepared to make immense sacrifices. Look at the sacrifices that were made in Zimbabwe and in Kenya before independence was gained. Hon. Members should consider what was said in the House before Kenyan independence came and before Robert Mugabe became Prime Minister of Zimababwe. It needs to be remembered that there were great massacres. That same pattern of violence will occur again. It is tragic. None of us wants it.

What we want and have the right to demand are genuine negotiations. It is not for us to dictate the constitutional settlement that will have to be reached in South Africa. All we can say is that there must be an open agenda and that there cannot be consultation by hand-me-down. We cannot have the South African Government setting the agenda and choosing the people with whom they should negotiate. They must recognise that genuine negotiations mean an open agenda to be discussed with the true representatives of black opinion. That means recognising that a charismatic figure like Nelson Mandela is necessary to keep the unity of black Africa in any negotiations in which compromise is to be struck.

Looking back over the history of Kenya, how much easier it was for the compromises to be achieved because there was an outstanding leader, Jomo Kenyatta. The same can be said of many other African countries as they went from a period of armed struggle and violence towards the transition to independence and democracy. It may be different democracy from what we have here. I should like to see much better democracy. But let us remember that little Botswana, which was taken out by the South Africans, is one of the best representatives of democracy. *[Interruption.]* Conservative Members should look back at what they said would be the fate of Kenya. They should remind themselves that Kenya, which is a one-party state, nevertheless has a stable Government who rule, broadly speaking, in the interests of most of its citizens.

I say finally to the Prime Minister that there is not much time. The right hon. Lady thinks somehow that it does not matter if she is the only one who is left out, but it does matter. There are one or two countries — Nigeria is certainly one — which are not enthusiastic about continued membership of the Commonwealth and might like to have an excuse to leave the Commonwealth on an emotive issue. We ought not to give them the opportunity.

Furthermore, even if the Commonwealth staggers through, and the Prime Minister, kicking and screaming, struggling to the last comma, eventually concedes and we cross the threshold of economic sanctions, great damage will have been done to our standing. We may be the 19th industrial nation in the world, but we still have moral values and a commitment to democracy that needs to be heard. Many Commonwealth countries want to hear that voice, and they want to hear it from the Prime Minister before it is too late.

4.59 pm

Mr. Francis Pym (Cambridge, South-East): There is not the slightest doubt from the speeches that we have heard so far that the House appreciates the gravity of the issue. I see two aspects to that. The first is related to the lives of the people in South Africa, the hardships that many of them know, the privileges enjoyed by some, and the aspirations of all. It is the people who are suffering. The second aspect is the perception of South Africa by the rest of the world. The disquiet that has long existed has grown over the years to a detestation of that regime. It has reached the point where there is almost a universal feeling that it is no longer adequate to be a spectator and wring our hands. Very few of us find it acceptable to do nothing. That international reality is clearly of the utmost significance.

We must also understand something of the history of the issue. The issue is more complex than the language that we use can express. The racial conflict in South Africa — and that is what it is — has deep roots. The present generation are the innocent inheritor and victim of events of long ago for which they bear no responsibility. I have no doubt that there was some kind of discrimination in the days of the great leaders such as Smuts and others. However, they were inspired by their vision of a promising future for their rich country that benefited all races and the whole population. Discrimination was no part of their outlook. Only in the past 30 years has discrimination become the basis of policy.

I would like to remind the House of the words of my noble Friend the Earl of Stockton when he was a Prime Minister. In a debate in the House on 22 March 1961, when the House was debating South Africa leaving the Commonwealth as a result of its vote to become a republic, the then Prime Minister, my noble Friend, said:

"the Prime Minister of South Africa, with an honesty which one must recognise"—

and here my noble Friend was referring to the Commonwealth Heads of Government conference that he had just attended—

"made it abundantly clear beyond all doubt that he would not think it right to relax in any form the extreme rigidity of his dogma, either now or in the future. And it is a dogma. To us it is strange, but it is a dogma which is held with all the force of one of those old dogmas which men fought and struggled for in the past."—[*Official Report*, 22 March 1961; Vol. 637, c. 445].

That dogma has been pursued ruthlessly ever since, to the point where millions in South Africa, who suffer under it, can take it no longer. They are sending out a cry for help, as would any drowning man. The most valid and authentic

expression of the present position is the report of the Eminent Persons Group with its compelling opening sentence and its conclusions.

The meaning of the report is clear. All endeavours to influence South Africa in its internal policy have so far failed, and evidently there is no prospect of South Africa changing if left to its own devices except in so far as internal violence might force that. However, no one would wish that course to be pursued. My right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs referred to some changes in his speech. However, I believe that the drift of those changes is that the South African Government are maintaining rigid control. The right hon. Member for Plymouth, Devonport (Dr. Owen) said that he had detected the possibility of hopeful changes. I hope that he is right.

A great many countries, including virtually all of the Commonwealth and the whole of Europe, have reached the stage where it is too uncomfortable to continue to do nothing. The feeling is that inaction in this case is immoral. I am especially glad to note that Her Majesty's Government share the desire for some form of action, that they accept the need for that and, in the amendment, they are asking the House to support a policy

"to work actively . . . for effective measures."

I would hope and expect the House to support that.

However, there is an urgent need for action. The problems are self-evident and people's patience is running out. The period immediately ahead must be one of vigorous activity to carry the words in the amendment into practice. That brings me to the issue of sanctions. That issue is overloaded with emotion on both sides of the argument. We have already seen that expressed this afternoon. There is a place for emotion but policy, especially on such a delicate and difficult issue, must be based on rational argument.

I believe that the arguments against comprehensive sanctions or economic sanctions are intellectually strong and intellectually valid. The case against them is not proven by experience. However, it must be said that that experience is not encouraging. It is also true that sanctions would inflict hardship on individuals in South Africa and on the national economy with all the consequences that that would bring. But it must also be said that the opposite policy of not applying sanctions or doing nothing has not resulted in political progress, let alone power-sharing. Rather, the result has been to increase the laager approach and the use of emergency powers. That has also inflicted hardship on individuals just as the policy of sanctions would although they are different in detail.

It is a Catch 22 position. I believe that the Eminent Persons Group report shows the way. The hope was that the group would find a way forward, and that it would set in motion a peace process based on negotiations and a greater degree of mutual understanding within South Africa.

Mr. David Winnick (Walsall, North): Will the right hon. Gentleman give way?

Mr. Pym: The hon. Gentleman will forgive me if I do not give way.

That is why the group came into existence after the Commonwealth Heads of Government conference. However, it has failed. The report clearly implies that, in its unanimous view, further measures are required. I would like to see my right hon. Friends and the British Government take a positive lead in identifying those measures. I do not want to see the Government being a reluctant co-operator. I want to see the Government set their objections aside. I did not feel that my right hon. and learned Friend the Foreign Secretary, for all that he said this afternoon, had any great enthusiasm for the task ahead. He did not appear to be approaching such an immensely difficult task with the vigour and enthusiasm that are required.

We have reached the point when further measures are essential and we must use our experience and international position to help the Commonwealth, the European Community and all our friends around the world, to find a solution. We must have the support of the United States, Japan and Germany as well as the Commonwealth — and I speak as an enthusiastic supporter of the Commonwealth. The task is formidable and urgent. I do not believe that any other country can fulfil that task as we can and we must look to my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary to take the initiative and lead the way. The sooner the first measure is put in place, the better. If that turns out to be a restriction on investment, so be it.

There is an added and important reason why, in my view, together we must succeed. On any geopolitical or strategic analysis, the so-called free world — the Western democracies, call it what you like — need South Africa for its huge resources and its geographical position. It matters that South Africa is a part of the free world. No wonder the Communists do all that they can to undermine South Africa.

We must find the way to bring South Africa back into the fold of our civilised democracies. That, aside from the great disarmament issue, or even despite it, is the greatest challenge facing the world today. We look to the British Government to meet that challenge.

5.8 pm

Dame Judith Hart (Clydesdale): I would like to tell the House something about another panel of eminent persons. I am sorry that the Prime Minister is leaving the Chamber, because I do not think that she has had an opportunity to read our report. I was a member of a panel of eminent persons appointed by the Secretary General of the United Nations last autumn, which reported the weekend before the Nassau conference and before the Commonwealth Eminent Persons Group was set up.

Our group was set up to hold public hearings in New York for a week on transnational corporations, South Africa and Namibia. We heard from, put questions to and had discussions with people, such as the International Chamber of Commerce, the South African Chamber of Commerce, the African National Congress, economists and various representatives of interest groups, and we produced a report.

I tell the House this because it has not been reported in the British press. I am probably giving the House information of which it is not aware. The report was accepted by the Economic and Social Council of the United Nations in April by a vote of 23 to two. Britain and the United States were the two countries that voted against. The report goes to the General Assembly in the autumn. It is also before the United Nations conference on sanctions against South Africa, which is being held in

[Dame Judith Hart]

Paris this week and which I shall attend tomorrow. However, again, it is not being attended by the British Government.

I shall refer to the report's recommendations in relation to today's debate. Everybody who has spoken so far, from both sides of the House, has been in agreement about one simple proposition—that we all hate apartheid and we all want to do what we can to end it. I know that one or two Conservative Members might not agree wholly with that point of view, but 98 per cent. of the Members of the House of Commons do.

Mr. Winnick: That is what they all say.

Dame Judith Hart: I give them credit for believing it.

Mr. Winnick: They say that.

Dame Judith Hart: I give 98 per cent. credit for believing it.

Today we are attacking the question of measures. Personally, I hope very much that the Opposition will not vote against the Government amendment to our motion. I am prepared to welcome any study of measures, because it takes us further forward. I believe that our motion is stronger and better, but I hope that we shall not oppose the Government amendment.

The real issue at stake is what those measures should be. If we agree that measures are to be taken, and that measures to try to influence an end to apartheid in South Africa are to be welcomed, we are in the ball game of deciding what they should be. We should be absolutely clear about that. This is where the right hon. Member for Plymouth, Devonport (Dr. Owen) was indulging in a fair amount of mudge and smudge. We must decide. Do we seek measures, which we hope will make Botha and the South African Government feel ashamed of themselves, and make them say, "The international community does not really like us very much. We are disapproved of very much. We had better do something about it."?

I say to those who take that view that measures should seek only to influence opinion in South Africa. The former has been tried for a long time now has not succeeded. What is more, the partial action envisaged, such as banning air flights and avocados, is designed to stiffen the resistance of the extreme Right in South Africa. If nasty things are being done to someone, which he does not like and which make him feel guilty and bad, such things do not change the person. He says, "What horrible people they are who are doing these things." Such measures are likely to be counter-productive. Therefore, I reject any measures that seek merely to say to South Africa, "Behave better. We do not like you."

I am after the sort of thing that the Prime Minister talks about—effective measures. I now come to some of the recommendations of the report by the panel of which I was privileged to be a member. We were dealing with transnationals, which included transnational banks. We dealt with the activities of the transnationals in a country in which, as in all other countries, they have to obey the law. South African law includes the key point, that every transnational corporation operating in South Africa is bound to secrecy. That is part of the law. On behalf of the South African Government, the transnationals have to operate legislation against various people whom the Government do not like. The transnational corporations have to be wrapped up in that; they have to be part of it if they are to obey the laws of the country. They may not operate if they cannot obey the laws of the country.

The transnationals are involved in the supply of various things that are absolutely crucial and critical to the South African economy. I am talking not about destroying the South African economy, but about the elements in the economy that depend almost entirely on the support of foreign transnational corporations in critical areas.

Examples are the supply of computers, electronic equipment and vehicles. South Africa cannot operate its apartheid system without the direct involvement of transnational corporations that supply not only the equipment but the know-how in computers, electronics and vehicles. One needs computers to operate a sophisticated system such as apartheid. It is not a casual system. We have seen that in the arrests in the past week, whether of 1,000 or 3,000 people. The South African Government know precisely where everybody is. A computer system is needed for that. South Africa has that system because it has had the assistance of the transnational corporations which are operating in South Africa.

I am not criticising the transnationals at this stage. South Africa has had their co-operation in the supply of know-how, equipment and managerial skills, and in the transfer of technology in the nuclear industry.

Mr. Nicholas Winterton: What about the exchange of high technology and the provision of cheap food to the Soviet Union?

Dame Judith Hart: What has that got to do with it? The hon. Gentleman is so foolish as to be abysmally unworthy of being in the House.

Mr. Winterton: Will the right hon. Lady give way?

Dame Judith Hart: I am not giving way.

Mr. Winterton *rose*—

Dame Judith Hart: I am not giving way. The hon. Gentleman can attack me later or report me to the Freedom Association. I do not care which.

Therefore, certain trans-nationals in some sectors are crucial to the South African economy. The banks are particularly important. I agree with the right hon. Member for Devonport about loans. The activities of the transnational banks are probably the most critical factor of all. I hope that the Prime Minister and the Foreign Secretary, and the group of officials in the EC who are to report to Heads of Government next week, will have noted that the period when it seemed hopeful that change was occurring in South Africa, when Botha was introducing certain important reforms, was the very period when the banks and the International Monetary Fund, following last August, said, "We are not sure whether we shall reschedule. We are not at all sure whether we shall help you." When did it all go sour again? When did the South African Government begin to tighten up again and abandon all hopes of reform? In January, when the IMF and the banks agreed to reschedule and let the South African economy tick over as usual.

I am in no doubt whatever about that, and the Bank of America, for example, which has withdrawn from South Africa, is in no doubt. Other American banks, way ahead of our British banks, see the writing on the wall. As the

Foreign Secretary said, there was less investment because of the judgment in world capital markets. He was right. But what the banks do is not just a matter for their private judgment. What they do is largely influenced and determined by what the IMF does. It was what the IMF reported in December that led to the rescheduling in January. Governments play a key role in the IMF, as they do in relation to the major banks in Britain and in the United States.

What our report suggested was simple. I offer this as one kind of measure. I am not necessarily saying that there should not be others, but this should be included on the agenda of measures. Our proposition, which has been accepted by the Economic and Social Council of the United Nations, is that transnational corporations operating in key sectors should disinvest if they consider that obedience to South African law is in conflict with their asserted moral duty to oppose apartheid. They should not just decline to participate in any new investment; they should disinvest. If they do not disinvest by January 1987, there should be international resolutions to ensure that they do.

As many people have said, there is no doubt that influencing, not destroying, the economy of South Africa is the key factor. When the South African chamber of commerce talked to us in New York, it made it clear that it considered the future of business enterprise in South Africa as dependent upon the existence of a multiracial democracy. It wants that and, as we know, it has already talked to the African National Congress. Only by that sort of effective financial measure and disinvestment in key sectors of the transnational corporations' activities which are so essentially involved in apartheid shall we strengthen the hand of the business community in South Africa. Ultimately that is probably the only voice that will count against the extreme Right in South Africa which is forcing Botha, or with which he is willingly going along, towards an increasingly Fascist type of repression.

Whatever decisions are made about effective measures there are other criteria which should be taken into account and against which judgments must be made. One of those criteria is whether what is proposed is likely to command effective international support for trade sanctions. I do not understand why, in any logical analysis of the problem before us, so much emphasis has been placed on trade sanctions. They are just one of the measures that can be taken, but they are open to evasion by commercial organisations or countries. I do not understand why, when people talk of sanctions, they automatically assume that sanctions equal trade sanctions. There are many others, as I am trying to suggest.

It must be right that whatever measures are adopted are capable of universal application. In that regard it is important to recognise, according to the information that we have, that three countries command or control most of the transnational corporations operating in South Africa: 142 transnationals are West German, 341 are British, and 407 are American. Other countries have comparatively fewer transnational corporations in South Africa.

However, we must consider the need for self-protection and minimising the damage to Britain. Of those many transnational corporations, probably 90 per cent. have only a minute fringe marginal involvement in South Africa. They will not be damaged if they have to leave. Of the others, even of those major transnationals which have a considerable involvement in South Africa, I doubt whether their involvement represents more than a relatively small proportion of their total economic activity.

This is where we need to apply some economic analysis. I do not know what proportion of the activities of the British Oxygen Co. Ltd. – whose director, Sir Leslie Smith, is now the chairman of the British Industry Committee on South Africa – are dependent on its South African activities. I suspect that it is only marginal. I was cheered when I heard Sir Leslie Smith say, "If we think that sanctions will be effective, we will sacrifice our own self-interest." That is splendid.

Effective financial sanctions and disinvestment by key transnational corporations in key sectors of the South African economy need not present great damage or loss of jobs to the British economy.

A further criterion is that in our judgments about what are the best measures to take against South Africa, we must also take into account that some measures which we ask all countries to adopt could produce the maximum retaliation against the front-line states. That would not be sensible because the front-line states are immensely vulnerable. It has already been seen that South Africa has no hesitation whatever in taking ruthless military retaliation against the front-line states. We must consider that factor.

It would be all very well to say, "Stop the supply of fruit and vegetables; stop the supply of avocados; stop the supply of exports from South Africa through the southern African routes." But we must bear in mind what the consequences of that might be for the front-line states. That is a valid factor that we have a duty to take into account. That is not to say that the front-line states are not prepared to accept tremendous sacrifices, but it is something to be put into the books when one considers the pros and cons.

Out of what I regard as a fair amount of muddle and confusion surrounding the issues that we are debating, I hope that we can now move to sensible economic analyses and judgments which take account of all the information available to us and the fact that we are not only meeting a demand from our colleagues in the Commonwealth when we study the matter and seek to produce satisfactory answers, but that we are also likely to be answerable to the wider forum of the United Nations, at least by, if not before, the autumn.

5.29 pm

Sir Anthony Kershaw (Stroud): I agree with much of what the right hon. Member for Clydesdale (Dame J. Hart) has just said, as I am sure do other hon. Members. The problem, as the right hon. Lady said, is not whether we want to get rid of apartheid but the best way to do that. Some of the solutions that the right hon. Lady suggests should be adopted.

However, I do not agree with what the right hon. Lady said about the transnational corporations. She omitted one thing. The presence of the transnational corporations in South Africa can be beneficial provided that they take with them the practices, especially the employment practices, which they have in their own countries. I believe that that can help.

In general, I join those who believe that trade sanctions are not appropriate because I do not believe that Botha intends to relinquish power, whatever the pressures and whatever the cost. That is the opinion of the Eminent

[Sir Anthony Kershaw]

Persons Group and many others. It was, for example, the opinion of Dr. van Zyl Slabbert, who, as the House knows was the leader of the loosely described liberal party's national party in the South African Parliament. He came before the Foreign Affairs Select Committee and described his parliamentary policies and activities. He then returned to South Africa and almost immediately resigned from the House there. I had the advantage of seeing him later and I asked why on earth he had done that; he gave us no hint that he would do it. The reason, he said, was that he had had four interviews with President Botha as soon as he got back, and after the last one he was convinced that President Botha did not mean a word that he said and had no intention of introducing any meaningful reforms.

If that is so, neither sanctions nor anything else are relevant to changing Mr. Botha's mind. That is where the Eminent Persons Group went wrong. Sanctions will be an exercise by us in moral indignation. Of course, as the Eminent Persons Group says, the South African Government fear sanctions. They will obviously make life more difficult and less comfortable. But it does not follow that they will change their mind because of them. The idea that the present regime in South Africa will turn to one man, one vote and agree, in effect, to commit suicide, which is the prospect before them, is vain.

Sanctions will have an effect all right. They will bring, if universally applied, and are intended to bring, unemployment, poverty and despair, leading not, as I have argued, to surrender by Botha, but to revolution or attempted revolution and then civil war — in fact, the bloodbath foreseen by the Eminent Persons Group — sooner rather than later.

My second objection to sanctions is less important but it should not be overlooked. History warns us that sanctions will be not universally observed. We shall probably witness much damage to our air routes, interests, markets, investments and employment. We shall see those opportunities being snapped up by others less scrupulous. There are also those who stand to lose nothing at present by sanctions but who do stand to benefit by the alteration in trade patterns which they would bring with them.

Some states and peoples, besides ourselves, will suffer, and suffer badly. They, or perhaps their leaders principally, are, we are informed, willing to endure the hardship which trade sanctions would bring upon them. That is their decision and one cannot but admire their courage and fortitude in that matter. But we should put down a slight caution: let them not come running to us to make up what they have lost in South Africa.

Furthermore, there are 800,000 British passport holders in South Africa who have a right of abode here and who may, if there is a war, come to the United Kingdom. Zola Budd would be only the forerunner—if that is the right word. We might see an influx of refugees——

Mr. John Carlisle: Let us hope that they are cricketers.

Sir Anthony Kershaw: Those refugees will have left their possessions behind them. Their chance of livelihood destroyed.

Mr. Carlisle: They can bring their cricket bats.

Sir Anthony Kershaw: They can do various things with cricket bats, but not earn much money with them.

Those refugees would be entitled to stay here and, bereft of the resources that they have left behind, would have to be supported by the state.

My last objection to sanctions is that they do not bring the parties to the conference table. Rhodesia has been mentioned this afternoon. Sanctions in Rhodesia did not end the Rhodesian problem. It was the war which ended that. If it is said, "So be it. Let us have sanctions. Let us provoke a war," I say that that is not the price which we, from outside, are entitled to ask the peoples of South Africa to pay.

It may be right — the right hon. Lady referred to this — that some lesser measures than universal sanctions should be taken to show our abhorrence of apartheid. Her Majesty's Government have already made clear their feelings about that matter. Our policy that Mandela should be released without conditions and that the basic changes should take place in the South African state is something which we can only continue to affirm with ever greater resolution.

It may be right to do that, apart from anything else, to meet the deeply held feelings of other Commonwealth countries. It would be a diplomatic disaster in many ways — not for Britain alone — if the Commonwealth were to start to break up because of this matter. But the measures which could be taken must be universally agreed and applied and should not be such as to ruin South Africa and to bring about quickly the tragedy that we seek to avoid.

Mr. Nicholas Fairbairn (Perth and Kinross): Will my hon. Friend consider the vast possibilities of economic pressure such as having a Marshall plan for southern Africa and the front-line states for development, of which South Africa deprives itself if it does not immediately put a line through the word and legislation of apartheid?

Sir Anthony Kershaw: My hon. and learned Friend is right. I see political difficulties in turning 180 degrees and starting to invest heavily in South Africa at present, but it would be desirable if we could bring prosperity to South Africa. It is far more likely that we would get our way about apartheid in that way than otherwise.

But we do not, as the right hon. Member for Clydesdale said, have to pass many resolutions in the House or anywhere else on economic measures. They are happening by themselves. If we were to pass a decree now that no one should invest in South Africa, it would not be necessary. Who is investing in South Africa? We can tell the bankers how to behave, but they are already behaving in the way that we would wish. That is unnecessary. Nevertheless, we must consult our partners in order to agree what the object should be. I am sure that it is possible to do that in a way which would bring home to South Africa that the time has come when it will have to bend.

My hon. Friend the Member for Wantage (Mr. Jackson) said that fruit and vegetables should be allowed to come to Britain. I agree. The people who produce the fruit and vegetables are the poorest in South Africa, and it would be a tragedy and a great mistake to strike at them.

The senior leadership on both sides in South Africa appears to be beyond redemption. They both demand all or nothing and no compromise is possible for them. But surely, in contemplation of this, many of the younger people in South Africa, not only whites but blacks and not only the English but the Afrikaners, are starting to see that a compromise must be found.

The business world is very much against sanctions. No managing director could stand up and ask for sanctions which would ruin his company. Nevertheless, they are inclined to think that a compromise is possible. They see that it is inevitable. I can think of many compromises, as could any hon. Member. One which has been bruited around — I do not know whether it has any chance of success — is that Natal, which is largely English speaking, should have a provincial Government, mixed with black and white. It has been said that the obvious candidate for the president or leader would be Chief Buthelezi. Once that sort of thing was started, it could never be stopped. Such important changes could be made.

We must also recognise, as my right hon. and learned Friend the Foreign Secretary said, that President Botha has proposed some remarkable changes. The trouble is that we do not believe him, and nor does anybody else, but I hope that they can be done. If he finds that he has support, perhaps he will change his mind and do what he says he wants to do.

Has diplomancy really been exhausted? Is our only policy that intended to provoke civil war in which the voices of the moderates would soon be drowned by the bombs and the machine guns? I hope that we shall not be stampeded by the shouts of those behind us — I am speaking metaphorically — who in many cases stand in no danger and perhaps even hope to gain. Let us not be stampeded into a policy of all-out sanctions which can justly be described as a policy of "Cry havoc and let slip the dogs of war."

5.38 pm

Mr. Guy Barnett (Greenwich): I was encouraged, as was my right hon. Friend the Member for Leeds, East (Mr. Healey), by the terms of the Government's amendment to the Opposition's motion. The Opposition's motion refers to

"the imposition of effective economic measures against the Government of South Africa",

The Government's amendment refers to "effective measures" leaving out the word "economic". That presumably means that the Government are prepared to consider, with our partners, other forms of pressure on the South African Government provided that they are seen to be effective in influencing the way in which the South African Government operate.

One measure, which is presumably included in the terms of the Government amendment, is the supply of arms to the African National Congress in order to strengthen it in putting pressure on the South African Government. The Government amendment leaves out the word economic, so presumably it encompasses the possible use of force by Britain, by other countries in the Commonwealth or by countries which believe that the future of South Africa could become so disastrous as a result of doing little or nothing or by using economic sanctions that prove ineffective, that the use of force would be the only way to solve the problem.

It has been said in the debate that economic sanctions were ineffective against Rhodesia, and that it was the use of force that finally got rid of Ian Smith and his racialist regime and led to the birth of Zimbabwe. We may find all too quickly that that will happen in South Africa and in that sense I am encouraged by the terms of the Government amendment.

Mr. Donald Anderson (Swansea, East) Before my hon. Friend becomes too enthusiastic in his textual analysis, will he note that the Government amendment leaves out the United Nations?

Mr. Barnett: I am grateful to my hon. Friend for his intervention. I do note that the United Nations has been left out of the Government amendment. Nevertheless, it is interesting to see that the phrase "effective measures" is included in the amendment. I, and I daresay many of my hon. Friends, were disappointed by the terms of the Foreign Secretary's speech. It seemed that he had either not read the Eminent Persons Group report or was not living in the real world. That report contains an introduction by the Secretary General of the Commonwealth in which he says:

"Apartheid must end. It will end; if necessary through a bloody struggle."

In concluding their report the members of the Eminent Persons Group used the following horrifying sentence:

"There could be little doubt that the alternative to a negotiated solution would be appalling chaos, bloodshed and destruction."

That is the situation facing the House. With due respect to the Foreign Secretary, he did not give a proper picture of the urgent problem that we face. In his speech the hon. Member for Stroud (Sir A. Kershaw) said that Dr. Botha is intransigent. Because of that we must find effective measures to deal with a situation that will not be dealt with by peaceful negotiation, a phrase of which the Foreign Secretary was fond. If there is not already a war in southern Africa there soon will be, and certainly, the amount of violence in South Africa and the violence committed by South Africa against its immediate northern neighbours are the first signs of developing bloodshed that will affect the whole of southern Africa. For that reason this is a desperately urgent problem, and the Government's present attitude does not measure up to it. The attitude is that we can wait until the Commonwealth Heads of Government meeting in August. That is, if there is not some need now for a strongly worded statement in the face of the deteriorating situation in South Africa and nearby.

There is violence in South Africa's townships and there are signs that that violence is moving out of the townships and into the white areas, into the cities and the towns. As I have said, there have already been examples of violence in South Africa spreading beyond its borders and affecting innocent countries such as Botswana. This is not merely a minor civil war, something going on within the borders of another country; it is taking place on the international stage, and for that reason it directly concerns the Commonwealth. That was clearly recognised at the last Heads of Government meeting.

Events in South Africa directly concern the Commonwealth because Heads of Government meetings year after year have been characterised by an interest in racial equality, a hostility to racialism, and an interest in the contrast between the wealth of the West and the poverty of the South. The Commonwealth Heads of Government in Nassau were bound to take seriously events in South Africa. Those Heads of Government could not stand aside from something that not merely affected South Africa but was certain to engulf, as has been said before, much of southern Africa and which could have disastrous consequences for the African continent.

[Mr. Barnett]

For a long time I have believed in the unique value of the Commonwealth in world affairs. It may be that an accident of history brought the Commonwealth into existence, but it has flourished with very little encouragement from British Governments. The latest example of the way in which the Government devalue the Commonwealth is that the post of the head of the Commonwealth co-ordination department in the Foreign and Commonwealth Office has been degraded. That is another example of the attitude taken in Britain to an association that is more deeply valued in other Commonwealth countries than it often appears to be in Britain.

Mr. David Crouch (Canterbury): Did the hon. Gentleman see an article in *The Daily Telegraph* yesterday by Mr. T. E. Utley, who spoke of the Commonwealth as more of an encumbrance than a reality? It is sometimes from Fleet street that we get the worst advice.

Mr. Barnett: The hon. Member for Canterbury (Mr. Crouch) will be well aware of the long hostility of *The Daily Telegraph* to the Commonwealth and of the general hostility that exists in large sections of the British press. That causes enormous distress in the Commonwealth and does Britain great damage in Commonwealth countries. Many hon. Members travel abroad, either with the Commonwealth Parliamentary Association or under their own auspices and, it is to be hoped, we do something to restore the balance by demonstrating that at least many hon. Members value the Commonwealth.

The Commonwealth has enormous relevance to the current situation, just as it had relevance to the situation in Zimbabwe. It also has enormous relevance in drawing a contrast between wealth and poverty. It would be the most appalling disaster if, through action or through a failure to act by the Prime Minister and the Government, the future of the Commonwealth were to be endangered or if, as an association, it came to be devalued and people looked elsewhere for international association and co-operation. The Commonwealth has an enormously valuable contribution to make not just to members of the Commonwealth but to international peace. We ought to take seriously the fact that we currently find ourselves in a minority of one. We should do everything that we can, through debates in the House and through the way in which those debates are represented outside, to reassure other members of the Commonwealth of our commitment to a non-racist policy and to effective measures, economic or otherwise, that will change the course of history in southern Africa.

5.49 pm

Mr. Peter Thomas (Hendon, South): The hon. Member for Greenwich (Mr. Barnett) made a helpful contribution to this sensitive, difficult debate which contrasted with the speech of the right hon. Member for Leeds, East (Mr. Healey), who adopted a characteristically belligerent and partisan tone which does not accord with the general type of speech we have had so far.

The hon. Gentleman referred to the Commonwealth group's report, and it is right that he and others should have done so, because the debate has been brought about by it. The Commonwealth group of seven eminent persons from five continents have produced a report which will inevitably have a major impact on international opinion and which cannot and must not be ignored. One may have reservations about some of its conclusions and regrets about some of its omissions, but when unanimity is shown by eminent and to some extent disparate people on a sensitive, contentious subject such as South Africa, their views inevitably command respect.

The right hon. Gentleman mentioned Lord Barber, who is well known to many hon. Members. No one could accuse him of being prejudiced against South Africa or of being other than an objective realist. He wholly supports and endorses the report. The group visited South Africa to try to find a path for peaceful change. Its objectives along that path were the dismantling of apartheid and the establishment of a non-racial representative Government. Sadly, it felt that its efforts to promote those objectives had been unavailing and that its mission was a failure. Therefore, its report is one of considerable gloom.

The group saw a country in upheaval and witnessed great human suffering. It expressed little doubt that the alternative to a negotiated solution would be appalling chaos, bloodshed and destruction. It is the group's considered view that, despite appearances and statements to the contrary, the South African Government are not yet ready to negotiate a non-racial representative Government, except on their terms, which, in the group's view, fall far short of reasonable black expectations and well accepted democratic norms and principles.

The only hopeful part of those views are the words "not yet". It is the Eminent Persons Group's opinion that the South African Government are seeking not to end apartheid but to give it a less inhuman face, and that their commitment to power sharing when analysed means that overall white control would never be surrendered. The group also reached the conclusion, with which I agree, that there can be no possibility of meaningful negotiations without including the African National Congress.

The EPG was by no means unaware of the many difficulties facing the Pretoria Government. I have no doubt that President Botha is anxious to bring about reform. Indeed, many changes have been made, and were mentioned by my right hon. and learned Friend the Foreign Secretary and my hon. Friend the Member for Stroud (Sir A. Kershaw). But when those changes have been made the President has received little appreciation or encouragement from outside. That has intensified the anxieties and demands of the Right wing of his party. That and organised black violence have produced a white backlash which is a major obstruction to the acceptance of meaningful reform. The EPG was left with the impression of a divided Government, but its avid impression that white opinion as a whole may be ahead of the Government in significant respects and ready to respond positively if given a bold lead is an important matter to bear in mind.

Mr. Fairbairn: Does my right hon. and learned Friend agree that when we are discussing the matters to be undertaken it is important that we ensure that the white opinion which is at present ahead of the South African Government is not driven back behind that Government?

Mr. Thomas: My hon. and learned Friend is right. Obviously, that is the implication of what I said and the reason why I raised the matter, but I am grateful to him for elucidating it beyond doubt.

Mr. Richard Caborn (Sheffield, Central): Does the right hon. and learned Gentleman agree that Mr. Botha is in a not dissimilar position to the Prime Minister because 42 of her back Right-wing colleagues have signed an amendment stating that they are "resolutely opposed" to sanctions? That also creates similar problems for the Minister who will reply.

Mr. Thomas: I am rather sorry that I gave way. I hoped that the hon. Gentleman would try to assist me in making my speech and even try to assist in the debate, but his intervention was wholly outside anything that I said or was likely to say.

It is sad that the EPG found that not one of the five steps of the Nassau accord which the Government of Pretoria were called on to take as a matter of emergency had been taken. It has found that there is no genuine intention to dismantle apartheid; that the state of emergency, far from being terminated, has been further strengthened; that Nelson Mandela and the other political leaders remain in prison; that political freedom is being more rigorously curtailed; and that the cycle of violence and counter-violence has spiralled and there is no prospect of a process of dialogue leading to the establishment of a non-racial representative Government.

That is a sad, sombre picture. What can be done? What remaining influence does the international community have? In the words of the report:

"What can major states do to help avert an otherwise inevitable disaster?"

The EPG recommends effective, concerted action and suggests, without determining their nature or extent, the adoption of effective economic measures. The operative word is "effective" — measures which will be effective and help to promote clear objectives. What are those objectives? For most of us they are the end of apartheid, the end of violence and the promotion of a structure of non-racial democracy.

I agree with those who believe that full economic and financial sanctions which put South Africa into economic isolation will not be effective in promoting those objectives. They would achieve precisely the opposite effect and would not persuade Pretoria to succumb to international opinion. All experience has shown that states which are treated as outcasts behave as outcasts. Comprehensive economic sanctions on South Africa would fortify strong Afrikaner isolationism, pander to the siege attitude and mentality there and, above all, divorce South Africa, particularly that white opinion which is ahead of the Government, from all worthwhile outside influence. The only justification for such sanctions is that they promote moral uplift for those who propose them. It is an interesting question whether such moral uplift can be sustained when it becomes clear that the effects of sanctions could be large-scale black unemployment and increasing black deprivation and depression.

I agree with Sir John Killick, the eminent ex-diplomat, who, in his letter to *The Times* today, wrote:

"There has surely never been a time when it has been more necessary to apply cool and dispassionate judgment to the problem of South Africa."

I therefore wholly support the Prime Minister's amendment. The EEC, the Commonwealth and the economic summit seven must consult and co-operate coolly and dispassionately and try to agree measures which will be effective in helping to achieve a peaceful solution for South Africa based on negotiations and a suspension of violence on all sides.

The measures must not be designed to drive South Africa into isolation and possible chaos but must be politically effective. The measures must show Pretoria that the international world is determined that apartheid must go and progress must be made towards the other objectives. The measures must not finally close the door to outside contact and influence but must be effective in their impact and carry with them a united international warning that more will follow should progress not be made. I wish the Government and my right hon. and learned Friend the Secretary of State all good fortune in their task.

6.1 pm

Mr. Tom Clarke (Monklands, West): The right hon. and learned Member for Hendon, South (Mr. Thomas), in common with many of his hon. Friends, once again opposes meaningful sanctions. Once again Tory Members offer no solution to the House on how to deal with this problem. I am afraid that this attitude is all too typical, not only in this debate but in many debates we have had on the subject over the years.

It is true — many Conservative Members have said this — that it may well be impossible to make progress in South Africa and to achieve a multiracial society without there being sacrifices. This has been accepted by all who are in favour of progress. Throughout our history few meaningful achievements in democracy have been made without individual sacrifices. We are seeing that before our very eyes today.

What is astonishing — I felt this when the Foreign Secretary was making his speech and referred to the jobs that might be lost in Britain — is that the Government pay such little regard to the passionately held views of the British public who want to see social justice and freedom emerge in South Africa. They have made it clear that they are prepared to pay a price.

There is nothing new in this. On 26 July 1833, the Bill for the abolition of slavery passed its Second Reading in the House. It was a Government measure and its success was assured. When Wilberforce heard the news he said:

"Thank God, that I should have lived to witness a day in which England is willing to give twenty millions sterling for the Abolition of Slavery."

I believe that the spirit that inspired those remarks and which helped towards the abolition of slavery, despite the fact that there was a cost, still exists. I will not accept that the British people, the people of the Commonwealth, of Europe and the United States are not prepared to contribute towards a solution to the problem, even though the Government gave no suggestion that they are searching for that solution.

What worries me — this emerged in the debate today — is that, sometimes, the Government give the impression that they simply do not want to listen. The facts are there, even though they are not always widely reported because of the restrictions in South Africa. It is absolutely absurd that we could not hear of the meeting of Bishop Tutu and President Botha on Sunday because the South Africans decided that, somehow or other, to report such an event would represent a challenge to their state. Is it not also absurd that a Conservative Member could say on TV-am today that Bishop Tutu does not have

[Mr. Tom Clarke]

much of a following? Does anyone imagine that the President of South Africa would have spent a single minute, far less one and a half hours, with Bishop Tutu, if that were the case?

We are arguing over a serious issue and the background to that problem has been absolutely plain over the years and especially in recent months. We have all witnessed years of oppression, the denial of human rights and state-sponsored killings. Indeed on Sunday, *The Observer* mentioned that even today, 2,000 people are in detention. The black majority are reacting, as we would expect them to do, to the existence of oppressive rule by the minority 15 per cent. of the white population. I am not for a second suggesting that all the white minority agree with what the regime is doing. Nevertheless the kind of reactions we are seeing are inevitable when democratic institutions are not available. The majority cannot assert themselves or assess the values which Bishop Tutu and many others share.

Mr. Andrew Hunter (Basingstoke) *rose*

Mr. Clarke: I am sorry, but many hon. Members wish to speak and I do not want to stand in their way.

The British Government's position is shamefully negative. Nothing we have heard today will alter my view. The Government, at the United Nations, the EEC and within the Commonwealth, when they have had every opportunity to influence the direction of history, have been weak. They have been ambiguous and have failed to offer the kind of solution that I believe the British people want.

Meanwhile, in South Africa the shout for progress and freedom has become louder still, and why not? On every test, from the rate of infant mortality to educational expenditure, to the payment of wages, coloureds and Asians are at a disadvantage and the Africans are the most underprivileged of the lot. Many blacks are receiving a fifth of the average monthly wages of their white counterparts for doing exactly the same jobs. In 1983 to 1984 the South African Government spent nearly six times as much on education on every white head as on every African one. I regard that as shameful.

Discrimination is evident in the health service. There are two distinct patterns for blacks and whites. Whites have a much lower infant mortality rate and a much greater life expectancy. Obviously, there must be a challenge to that type of society within South Africa and it is clear that there is.

It is equally obvious when we consider the regime's response to that challenge—oppressive Acts, detention without trial, bans on meetings and organisations, curfews, news censorship and so on, many of which were practised even before the emergency was declared—that it accepts that kind of approach to a very difficult and delicate problem but is also in the process of institutionalising powers that enhance the role of the military and the police to continue the oppression that my hon. Friends and I regard as absolutely repugnant.

We have recently witnessed developments in that direction. At the very time when the Eminent Persons Group might have been making some progress—even President Botha was giving the impression that he was trying to co-operate—President Botha panicked, pandered to his extreme Right wing and there were dramatic military raids on Zimbabwe, Zambia and Botswana, as well as related actions. As a result of such an indefensible record, 70,000 people are homeless. It is no wonder that *The Observer* reported:

"Those are the actions of a government which has shut its mind to world opinion."

That is extremely sad, but just as sad is the fact that our Government do not seem to be responding to world opinion. The future of the Commonwealth is important. It appalled me to hear at least one Conservative Member say "good riddance" earlier today—I understand that it was the hon. Member for Macclesfield (Mr. Winterton). That is no way to peace and co-operation between nations. Nobody fought an election on that programme and I believe that such an idea is utterly inconsistent with the attitudes and aspirations of the British people.

While we have behaved like Pontius Pilate, other members of the Commonwealth have spoken for themselves and for freedom in South Africa. We have witnessed the passing of a new American sanctions Bill by the House Foreign Relations Committee, which reflects growing opinion in the United States. The United Nations mandated world conference on sanctions started in Paris yesterday. It is a pity that we were not represented.

The march towards progress and democracy will go on. The Government's stance on sanctions represents a lost opportunity for Britain, to say the least. I hope that even the Government will reflect on the influence of their passive approach and that they will accept that it does not help even long-term British investment to go along with what is happening in South Africa.

Before more people lose their lives and before the real bloodbath, which can still be prevented, takes place, Conservative Members—I accept that there are many who take this view—should stand up and be counted and urge on the Government the fact that the time for sitting on the fence has long since passed. We can make a contribution to freedom and progress in South Africa. The sooner the Prime Minister and her colleagues listen to that plea, the better it will be for all concerned.

6.12 pm

Sir Patrick Wall (Beverley): When I hear the phrase, "social justice and freedom in Africa" I begin to wonder what kind of world the person speaking lives in because I cannot think of many, if any, countries in that continent which enjoy social justice and freedom.

We are discussing apartheid, which is the denial of rights to the majority race. The issue becomes especially emotional because the minority are white. I am often worried at how little emotion is displayed when black oppresses black as in Uganda or Ethiopia.

We all know that the National party of South Africa set up apartheid by gerrymandering the constitution about 40 years ago. I believe that it is now in the process of dismantling apartheid. I admit that it is going far too slowly, but it has started. My right hon. and learned Friend the Foreign Secretary gave examples of that, such as influx control, property rights, which are now available, the restoration of citizenship and so on.

As politicians, we must consider what happens to politicians in other countries. The result of the reforms that I have described is a move to the extreme Right. That move is enhanced by external pressure and the traditional laager mentality of the Afrikaners.

The object of the debate is to decide how best to get rid of apartheid. The Government, pushed by the Commonwealth, advocate

"effective measures . . . based on negotiation and a suspension of violence".

That is a limited objective, as are the measures. The Opposition advocate

"effective economic measures against the Government of South Africa."

If English means what it seems to, the Opposition want to overthrow the Government of South Africa and presumably replace it with an ANC Government, which will obviously veer in the Marxist direction. I believe that one man, one vote is unacceptable in South Africa as it would mean chaos and civil war, although I know that that is what some non. Members want.

What would be the result of economic sanctions? In Africa, the South Africans would return about 1 million blacks to Lesotho, Zambia and Zimbabwe, among others, which would immediately destroy their economies. For the rest of the world, some countries would gain. Those that sell gold and coal would gain by having no competition from South Africa. The USSR would gain a great deal because she would then have a monopoly of supply of chrome, manganese and various other strategic minerals. For the United Kingdom, the effects of sanctions have already been outlined. They would involve 120,000 jobs, £12 billion worth of investment, £1 million worth of exports would be at risk and—perhaps most important, as the Opposition always seem to want to increase coloured immigration to Britain—800,000 poverty-stricken whites might come to Britain. I wonder how the Opposition Front Bench would react to that.

More sanctions would mean less freedom of action for the South African Government. They would mean a continuing move to the extreme Right. They would mean the laager and civil war. I do not believe that, in the short term at least, the blacks would win that civil war.

I entirely disagree with my hon. Friend the Member for Macclesfield (Mr. Winterton) about the Commonwealth. I believe that it is important. I also believe, however, that the Eminent Persons Group has made a rather one-sided report. It has not dwelt enough on ANC violence. I think back to how the Monckton commission report started the destruction of the Central African Federation and wonder whether this will be a similar story.

I do not know whether hon. Members listened to the BBC at lunchtime, but if they did, they will have heard Colin Eglin, who is the Leader of the Opposition in the South African Parliament, coming out strongly against economic sanctions and what he calls coercive action from outside. He rightly said that the problems must be solved in South Africa.

In Britain, the far Left seems always to side with the extremists, in this case with the ANC. I agree that there must be talks with the ANC, but I wonder whether it can now control the wild young men of the townships. Perhaps that time has passed. I am all for the release of Nelson Mandela, who has now said that he will agree to end violence. According to the Eminent Persons Group, the ANC has agreed to eschew violence. I wonder, however, whether the time has gone when even the ANC can lead the black people of South Africa.

Mr. Allan Rogers (Rhondda): What is the answer then?

Sir Patrick Wall: I am just coming to that. We should give much more credence to Chief Buthelezi. I believe that his scheme of amalgamating Kwa Zulu and Natal should be a good pattern for the future of South Africa. What is more, I believe that it is possible, as Natal is mainly English speaking. We should also remember that the Zulus are the most powerful tribe in South Africa, especially if it comes to a fight, as many past generations in Britain discovered.

My right hon. Friend the Prime Minister is entirely right when she says that if pressure is to be exerted—and there may be a case for pressure, not for economic sanctions—it should be positive and have limited objectives. It took us 15 years to get off the hook of Rhodesian sanctions. We do not want the same pattern to apply to South Africa. Effective economic sanctions, which is what the Opposition want, would mean revolution. That is what some people on the Left—not necessarily in this House but in the country—would like to see. We, on the other hand, want evolution, although not necessarily through a European-style democracy, which has not worked in Africa. That is why I referred to one man, one vote. The House knows the phrase so well, but throughout Africa there has been one man, one vote only once.

The answer probably lies in President Botha's original concept of a kaleidoscope of states. Unfortunately, he seems to have moved away from that concept, presumably because he has been pushed by his Right wing. I visualise the future of southern Africa as a confederation of small states: some white-led, some coloured-led, some black-led. Some of them will perhaps be led by people of mixed race, and others may be multiracial. A kaleidoscope of small states in a confederation could overcome the difficulties that face southern Africa today. I do not believe that the whites will transfer power to the blacks without the bloodshed that has been mentioned already in this House. It is only right for us to do all that we can to try to encourage, by all possible means, a peaceful solution to this racial problem, which is probably the most difficult problem that our world has ever faced.

6.22 pm

Mr. Richard Caborn (Sheffield, Central): On 25 and 26 June 1955, just outside Johannesburg, 2,888 delegates gathered from all parts of Africa. After that two-day congress, what is now commonly known as the "freedom charter" was adopted. It is referred to in the report of the Commonwealth Eminent Persons Group. I wish to put on record the preamble to the charter, as many things have been said this afternoon about the African National Congress. The charter said:

"We, the people of South Africa, declare for all our country and the world to know: that South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of all the people; that our people have been robbed of their birthright to land, liberty and peace by a form of government founded on injustice and inequality; that our country will never be prosperous or free until all our people live in brotherhood, enjoying equal rights and opportunities; that only a democratic state, based on the will of all the people, can secure to all their birthright without distinction of colour, race, sex or belief; And therefore, we the people of South Africa, black and white together—equals, countrymen and brothers—adopt this Freedom Charter. And we pledge ourselves to strive together, sparing neither strength nor courage until the democratic changes set out here have been won."

I recommend Conservative Members to read the full charter. It lays down in simple terms a system that operates

[Mr. Richard Caborn]

in the United Kingdom, a system for which the House of Commons has stood for centuries, and that operates throughout the Western world. I refer those hon. Members who are highly critical of the African National Congress to that document, because the ANC sponsored the 1955 Congress. The charter was adopted after more than half a century of trying to obtain freedom through dialogue, discussion and consultation. The Government of South Africa had been asked to meet the wishes of the people and the international community had been asked for assistance in getting round the negotiating table with the Government of South Africa. The people of South Africa wanted a peaceful transition. For more than 300 years they had been confronted with racialism, and for decades since the nationalists came to power racialism had formed part of the constitution. That racialism—apartheid—is based upon more than 300 laws. South Africa is the only country that has enshrined in its constitution laws that segregate people because of the colour of their skin.

After the 1955 charter had been signed, 156 people were arrested on treason charges. Those charges were based upon their support for the charter. However, they were asking only for fundamental and basic freedoms. For four years the South African courts heard the cases of those 156 people. All of them were found not guilty.

At the same time, the African National Congress and other organisations that were fighting for peaceful change were banned and pushed underground. In 1960 there was Sharpeville, although that was no more and no less than the ANC and other organisations in South Africa asking for a dialogue and for the right to put their case, resulting in a peaceful transition to black majority rule. However, 69 blacks were shot in Sharpeville.

For how long can we expect people to suffer the indignation of apartheid? More than 300 laws upholding apartheid are enshrined in the South African constitution, and 85 per cent. of the population hold only about 15 per cent. of the land. The reverse of that is that only 15 per cent. of the population—whites—own the majority of the land. The fact is that 3·5 million people have been lifted out of their homelands and displaced by the authorities. There are over 3,000 doctors for every group of 1 million white people, whereas for the same number of black people there only about 11 doctors. The average income for white people is four times greater than that for the blacks, and spending on education is seven times higher for the whites than it is for the blacks.

After 15 years of trying to bring about peaceful change in South Africa is it any wonder that the African National Congress was left with no alternative but violence? There was no alternative because countries throughout the world did not hear the cry of South Africa. The international community did not respond to that cry, even after the publication of the freedom charter and even after the ANC's case had been placed fully before the international community.

In 1960, therefore, the ANC took its decision to turn to the gun. However, it was made clear in 1960 that this would mean acts of sabotage, not acts against the person. My right hon. Friend the Member for Leeds, East (Mr. Healey) said that the report of the Commonwealth Eminent Persons Group shows clearly that only about 20 people have been killed in South Africa by the ANC. It is deplorable to hear Conservative Members referring to members of the ANC as terrorists. It is Conservative Members who are destructive.

I draw an analogy with the people in my city who fought Fascism in the second world war. I was taught at school about the resistance movement in France, Germany and Holland. I was a member of the European Parliament and sat side by side with many people who fought in the resistance movement. They were fighting Fascism, the kind of Fascism that has been clearly indicated in the report of the Commonwealth Eminent Persons Group. That type of regime exists today in South Africa.

On that analysis and parallel, these people are not terrorists. They should be put alongside the freedom fighters who fought in France against Nazi Germany in the second world war. They are the same type of people.

It is inevitable that pressure has continued to grow on South Africa. A state of emergency has recently been applied in South Africa because of the 10th anniversary of Soweto. Let us consider what happened then. Some 15,000 schoolchildren were objecting to being taught Afrikaans. I have already said there is a ratio of 7:1 in the way that resources for education are divided between the whites and the blacks. The young blacks decided that it was better to be taught in English and that the limited resources that they got should be employed in giving them the skills and basic education that they needed than to be taught Afrikaans. They then had a demonstration in Soweto on 16 June 1976. The police opened fire on those 15,000 schoolchildren, and, in the weeks after that event, nearly 1,000 blacks were killed on the streets of South Africa because those children had decided, despite opposition from the boards of the schools and teachers, that they should be taught in English.

The Foreign Secretary told the House, and Conservative Members have repeated, that the system of apartheid is being changed and that the President is making concessions. I refer to two paragraphs in the report of the Eminent Persons Group that demolish the Foreign Secretary's arguments. Paragraphs 50 and 51 read:

> "Indeed, the State President has specifically ruled out 'the principle of one man one vote in a unitary system.' . . .
>
> The concept of white domination — of power-sharing without losing white control — is enshrined in the present Tricameral Constitution in which whites, coloureds, and Indians are given their own parliamentary chambers, with some power over their 'own affairs'. Not so blacks, responsibility for whose 'own affairs' is vested in the State President."

To tell the House that the Botha regime is prepared to start conceding is nothing less than misleading the House. The ANC and many other organisations asked for a boycott of the tricameral elections and received much effective support. That shows that the blacks and the coloureds were not prepared to accept the further departmentalisation written into the constitution by participating in such an election. The fundamental point about South Africa is not about messing around at the edges, or the cosmetics, but about whether there will be universal suffrage. *[Interruption.]* We know the rubbish talked by Members of the Conservative party. The realities will come through. The hon. Member for Macclesfield (Mr. Winterton) can make all the noise that he wants——

Mr. Nicholas Winterton: It was not me.

Mr. Caborn: The hon. Gentleman has been making a noise all afternoon. I have no doubt that his constituents will hear him.

The Foreign Secretary said—in this he was supported by the Prime Minister—that if we apply economic sanctions we shall lose 120,000 jobs in the United Kingdom. The United Kingdom South Africa Trade Association is saying that it will cost 250,000 jobs. The then Minister with responsibility for southern Africa, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind) said that there will be about 50,000 job losses. The United Kingdom South Africa Trade Association brought out a report in 1979 and again in 1982 that would not pass O-level economics. That was shown in the way in which it did its calculations and arrived at its total of 250,000 jobs.

Two reports on this subject have come out, one from Bailey and Rivers and one from Rogers and Bolton. The former report was based on the Treasury model of the British economy and concerned a loss of export equivalents. That showed that if full economic sanctions were applied immediately—which is most unlikely—there would be a loss of about 20,000 jobs in the first year, which would taper off. The Rogers and Bolton report was slightly more sophisticated and said that in the first year, again on the scenario of immediate sanctions, there would be a loss of 13,000 to 14,000 jobs. However, that does not consider what jobs would be created if the investment of companies which previously invested in South Africa were to be invested in the United Kingdom. Nor did it take into account the point made by a number of my right hon. and hon. Friends of what will happen after the apartheid regime is removed and how relationships will change not only with the people in South Africa but with the front-line states.

How the Conservative party can support a Government such as this I do not know. Only today I had a telephone call from the Sheffield branch of Oxfam, which is an active organisation. It said that yesterday somebody working under the auspices of the Council of Churches, to which it had given money to try to develop some harmony in Crossroads, had been picked up off the street and held in detention. This man has never carried arms and was merely trying to help.

How the Conservative party can support a Government who are illegally occupying Namibia against United Nations resolution 435, have bombed three Commonwealth countries and perpetrate acts of terrorism on their neighbours, I do not know. People can read the history and judge, as the Eminent Persons Group has. By the criteria of humanity, basic democratic needs and the rights of people within a country to determine their own destiny, the only course is to support the Opposition motion.

6.38 pm

Mr. Julian Amery (Brighton, Pavilion): I was interested in the parallel that the hon. Member for Sheffield, Central (Mr. Caborn) drew with the resistance fighters during the war. I shall return to that later. First, I should declare an interest. I have been associated over a number of years with the Anglo American Corporation of South Africa and that association has given me the opportunity to explore the country in considerable depth and to meet people of all races.

I think that we are all agreed that apartheid in uniquely abhorrent. This is not because it is uniquely oppressive. It is not as oppressive as a great many other regimes. The right hon. Member for Leeds, East (Mr. Healey) said that he thought that it had become as oppressive as the countries in the Soviet bloc. I understand from the newspapers that he is going to South Africa on Monday. I do not think that such a visit would be allowed to many Soviet bloc countries in a crisis, any more than a visit from Mr. Waite, the Archbishop of Canterbury's representative. Nor is it uniquely a minority Government.

I agree with the hon. Member for Sheffield, Central that South Africa is the only developed country of which I can think whose regime is based on racial discrimination enshrined not in custom or convention, but in law. That is what we find unacceptable and difficult to swallow. When we talk about dismantling apartheid, surely what we mean, in logic, is the repeal of the laws which discriminate against sections of the community—the majority of the community, as it happens—on grounds of race.

I think that we would be on common ground in saying that most of the pillars of both petty and grand apartheid have been dismantled over the past five or six years. More dismantling has taken place in the past 18 months. Two pillars remain—the Group Areas Act and the exclusion of the black population from the political process at national level.

The group areas have been substantially eroded in the big cities. The local authorities have turned a blind eye to the movement of more prosperous non-whites—Indians, coloureds and blacks—into some of the surburbs. It will not need much of a push to get the Government to accept that that process should continue, subject always to good provisions of town planning to prevent shanty towns being built up around the big cities.

As far as the inclusion of blacks into the political process is concerned, the President has proclaimed publicly what he seeks to do. He has said that there will be a national council, and that he will discuss with representative blacks how it should be brought about.

I had hoped, when the Eminent Persons Group visited South Africa, that it would have assessed the prospects of dismantling those last two pillars which, if dismantled, would mean the end of apartheid in the strict sense of a regime that discriminated, in law, against sections of the population.

Because I hoped that that would be the case—and here I must say that I had some encouragement from my right hon. Friends—I urged the President to co-operate with the eminent persons and to give them all the facilities they required. Having read the report, I regret that I did so. I cannot endorse the view of my right hon. and learned Friend the Foreign Secretary that we should be grateful to the eminent persons. I shall say what I think about their report in a few minutes.

The eminent persons agreed that there have been substantial reforms, but they condemned what they called the

"quest for power sharing without surrendering overall white control."

That is a rather surprising statement. When the British aristocracy accepted the Reform Act 1832, it did not agree to a transfer of power. It agreed to the association of the rising middle classes with itself. That was also the case with

[Mr. Julian Amery]

the later reform Bills. Had we accepted the Chartist proposals, I doubt whether Britain would be a democracy today.

I think that the eminent persons stretch beyond logic when they say that dismantling apartheid means a transfer of power and a social and economic revolution. I am not saying that a transfer of power is wrong or that a social or economic revolution is wrong, but it is not what dismantling apartheid means. Dismantling apartheid means repealing the laws which entrench white supremacy by law. Once those laws are gone it becomes a state, such as many others with which we do business, where minorities dominate, as they do in the Soviet bloc and in many military dictatorships in other Third-world countries.

The eminent persons claim that they should not dictate South Africa's future. No one who has read the EPG's report can possibly doubt that it regards the African National Congress as the natural successor to the present regime. The extent of the emotional commitment to the ANC goes beyond anything I have read in any state paper. In the report Mr. Mandela is canonised and Mr. Tambo is beatified. Nothing too praiseworthy can be said about him. No one else receives such encouragement. Chief Buthelezi gets a mention. None of the other homeland chiefs are treated with any regard at all. The Ministers in the regime are regarded as, at best, machiavellian demons and, at worst, devils incarnate. It is an odd way to approach the problem. The commitment to the ANC is underlined by the negotiating conditions which the eminent persons proposed to the South African Government.

Mr. Simon Hughes *rose*——

Mr. Amery: I wish to develop the point.

The eminent persons' second condition was that the South African Government should withdraw the police and the army from the townships while negotiations took place — the hon. Member for Foyle (Mr. Hume) may think that is a good idea — and that the townships should become no-go areas. Some of the townships might, during the negotiations, come under ANC control. I cannot imagine any Government in their right senses accepting such a condition.

I think that the eminent persons felt that on that point they were on weak ground. Instead of the eminent persons arguing that the dismantling of apartheid involved a transfer of power, they went on to a new line of argument. They warned that there would be a blood-bath unless the transfer of power took place. They tried to make British flesh creep by suggesting that unless we helped the process of the transfer of power, our interests would be seriously damaged. Mr. Malcolm Fraser developed the idea at a press conference in the United Kingdom.

I think that the eminent persons may have exaggerated the effectiveness of the ANC. It is perfectly true that there have been casualties, but nothing like the Lebanese, Ugandan, Sri Lankan and, as far as I can make out, the Punjab casualties. I would not underrate the danger that there could be further casualties in future, but I think that the eminent persons failed to understand the basic position in South Africa.

Over the past 15 years, a generation of black middle class intelligentsia has arisen. Some are lawyers, doctors, journalists, teachers, churchmen, shopkeepers, and business men. In the homelands, some are Ministers and Government officials. Others are skilled workmen and trade union leaders. Some are radicals and sympathise with the ANC and other radical movements. Many — although they are by no means supporters of Mr. Botha's Government — have no love for the ANC and no desire to see repeated in South Africa the kind of semi-Communist experiment that has taken place in Mozambique and Angola, or even the Socialist experiment still in the making in Zimbabwe.

Both the radical and the moderate blacks know that the whites must do a deal with the blacks. The question is, which blacks? Attachment to private enterprise, tribal structures — we have seen in Matabeleland how strong the tribal influence still is — and anti-communism, inculcated by the Churches, favours co-operation between the moderate blacks and the whites. It would be foolish to brush aside the moderate blacks. Chief Buthelezi probably commands the allegiance of some 6 million Zulus. His Inkatha organisation has bashed the ANC hard in some townships. The Church of Zion, which claims 2·5 million supporters, gave President Botha a tremendous welcome at Easter last year. Bishop Mokoena, who has visited Britain, claims the support of more than 4·5 million. Add up numbers and jot them down, and one will find that more than 10 million blacks are already in the. I would not say Botha camp, but anti-ANC camp.

The real confrontation is between not black and white, but between radical and moderate blacks. That is why I am interested in the analogy drawn by the hon. Member for Sheffield, Central — I am sorry that he is not present — with the resistance movement during the war. Those who have studied the movements — I lived through them — saw that, as the end of German domination became clear, they began to fight each other, even before the Germans had gone, to see who would be in charge. That is what is happening in South Africa. I would not underrate for a moment the radical forces of the ANC or the moderates. I believe that the white-moderates combination, if it comes off, is more likely to prevail than the radical revolution, and it is in our interests that it should. It is anti-Communist and pro-private enterprise. It would be, on the whole, more favourable to our way of thinking. I think that it will develop if South Africa is left to itself.

The real danger of the report of the Eminent Persons Group — tendentious, one-sided and emotional as it is — is that it will discourage the moderates and the whites from doing a deal. The moderates will feel that the outside world is going towards the ANC and will ask whether they should go with the tide. The whites will feel that they must batten down the hatches. That is why I deprecate the report and the tone of much of what has been said in the House today.

I urge my right hon. Friend the Prime Minister to stand absolutely firm against economic sanctions. A great deal of progress has been made in South Africa, especially in the past 18 months. More is in the pipeline and more could be obtained by quiet diplomacy. I see no justification for punitive measures. Indeed, if progress is made on the Group Areas Act and on bringing the blacks into the political process, I think that that would justify lifting existing sanctions on oil and arms.

Mr. Rogers *rose*——

Mr. Amery: I urge my right hon. Friend the Prime Minister to avoid what are called "measures". The setting up of the Eminent Persons Group was a measure, devised at the time to gain time. It has proved to be a Frankenstein monster. To yield any further and adopt measures to push the South African Government in the direction of the report of the Eminent Persons Group would be, in effect, to accept that the transfer of power to the ANC is our aim. It should not be our aim. Even to move towards it is to place ourselves on a slippery slope, and it will not be easy to find a sure foothold on which to draw a halt.

Great national interests are at stake. Great national interests are at stake for the Americans and the Germans. I agree that strong emotions are engaged, but not just on one side. There are 2 million people of British descent, or almost, living in South Africa. On my best estimate, that means that 8 million or 10 million of their relatives are over here. To embark on an anti-South African policy — my right hon. and learned Friend the Foreign Secretary came close to it — would be to divide the nation and, I may add, my right hon. and learned Friend's own party.

6.54 pm

Mr. David Winnick (Walsall, North): I do not believe that I would be doing the right hon. Member for Brighton, Pavilion (Mr. Amery) an injustice if I said that he has always associated himself with the South African Government's point of view. He wants some changes in South Africa, and I would not wish to deny him that, but he wants no fundamental change. I remember one of the few conversations I have had with the right hon. Gentleman outside the Chamber, 16 years ago, when he put forward a view very similar to the view he advanced today. I said to him that history would prove him wrong. We shall see whether he is right or I am.

In the past 18 months, we have seen the increased determination of the black majority in South Africa to win their freedom. They have demonstrated that they are no longer willing to tolerate in silence a system of government that totally denies them any effective say in how their country is governed, simply because of the colour of their skin. It is an indictment of Western Governments, especially Britain and the United States, that so little has been done over the years to apply effective pressure to the South African authorities to change their ways.

I must make one point clear about the Conservative party, because we should be perfectly frank in debate. My view, which I am sure is shared by my hon. Friends, is that that party has always been extremely reluctant to take any action against the apartheid regime. Of course, as we have seen today with the Foreign and Commonwealth Secretary and other Conservative Members, they always tell us how much they oppose apartheid. I have not forgotten that, within days of the Tories returning to office in 1970, they reversed the Labour Government's policy and allowed arms to be sold to South Africa. It is just as well that, since 1977, there has been a United Nations Security Council arms embargo binding all member states or, I am sure, the Government would have been in favour of selling arms to South Africa. One Conservative Member has already told us today that arms should be sold to South Africa.

The Government constantly tell us that economic sanctions would be counter-productive and would only make the regime in South Africa more determined to resist change and be more self-reliant. If so, why are the South African Government so strenuously opposed to sanctions? Why are their defenders and apologists in the House and elsewhere so determined to prevent sanctions being applied?

It is interesting in this regard to read the letter of 24 April from the South African Foreign Minister to the two co-chairmen of the Eminent Persons Group. In that letter, which is in the report, the Foreign Minister expressed concern about what he called "punitive action" against South Africa. Clearly, the last thing that the South African Government want is action — sanctions or otherwise. Those who resist such measures are bound to be seen to be defending the South African regime.

Mr. Fairbairn *rose*

Mr. David Maclean (Penrith and The Border) *rose*

Mr. Winnick: I apologise for not being able to give way, but time is short.

The report of the Eminent Persons Group states that South Africa consistently applies sanctions to its neighbours. That is certainly so, but obviously, as the report adds, the South African Government have no wish for the international community to follow suit against that regime.

One thing is clear: whatever the limited and mainly cosmetic changes which have occurred in South Africa — I agree with the right hon. Member for Pavilion that changes have occurred — they come about only because of pressure, both internal and external. If it had been left to the South African authorities no such changes would have occurred. Surely that explains why it is unlikely that the changes, which are so essential and which many Conservative Members and Ministers agree should be applied in South Africa, will come about unless effective measures are taken by the international community. The report of the Eminent Persons Group concludes that if the South African Government believe that they will always remain protected from economic measures, the process of change is unlikely to increase.

The report also makes it clear that if the blacks believe that such international measures will not be applied by Britain or other Western countries they will come to the view that there is only one option left, that of increasing violence. I do not like some of the violence undertaken by the blacks in South Africa recently. I would not wish to defend or act as an apologist for such action in any way. However, if people are denied their legitimate rights and aspirations, see no possibility of change and are denied political and human rights and their representative organisations are outlawed, is it surprising that violence comes about? Is that not one of the most important lessons of history through the ages?

We know how the leaders of the South African blacks have been imprisoned. Nelson Mandela has been in prison now for well over 20 years and his only real crime is that he was the representative of his people. Mandela is by no means the only one. The African National Congress, undoubtedly the main representative organisation of the blacks in South Africa, has been outlawed. Therefore, it is understandable that there is the view there that only violence will shift the South African authorities. If we want to change that view we must ensure that the Western community, in particular, is determined to take effective action against South Africa.

I can understand the right hon. Member for Pavilion being disappointed by the report of the Eminent Persons

[Mr. Winnick]

Group. I am sure that many people came to the view, when the group was appointed, that it would report in a very different way. I am pleased by the report. I think it is an honest report because the people concerned, some of whom have not been so much involved in South African matters over the years, saw for themselves what was happening and they came to their conclusion, which I endorse.

In the past few days the repression in South Africa has got worse. When one sees what is happening in South Africa one can only come to the view that it is almost a police state. We know about the ban on reporting and the actions taken by South African authorities to hide the news, not only in South Africa but from the outside world. We know of all the measures of banning and arrest and of people being questioned for days on end and then being re-arrested and continuing in detention. That is an illustration of the determination of the South African authorities not to change their ways in any effective manner. It is an illustration of the way in which the South African authorities are telling the world that they will not be willing to undertake fundamental changes.

The Labour party wants to declare its solidarity today with all those people in South Africa, black, coloured and white, who are opposed to the system of repression in their country, many of whom are in prison. We declare our solidarity because we believe that they are right and that they are victims of repression. For so long Ministers have been telling us that they are opposed to apartheid and they recognise that change is important. However, at the end of the day, a choice has to be made. It is a simple choice. Are the Government on the side of the oppressed or the oppressors? They cannot remain neutral. They cannot give the impression that they are against apartheid and, at the same time, do whatever they can to prevent international measures, such as sanctions, being applied against the regime.

What has caused much understandable concern in this country is not only that the Government are opposed to effective measures being undertaken but they are trying their best to prevent other countries undertaking such measures. They are acting in a manner which can give only comfort to the apartheid regime. That is why we are so critical of the Government and the stand they have taken. It is Britain's misfortune that at this time we have a Government who refuse to take a lead over South Africa and are doing their best to deny effective measures against the regime.

Last year, after the Commonwealth meeting, the Prime Minister boasted about how little had been done about sanctions. We all saw her on television as she mocked the limited action being undertaken. She made her position clear. Labour Members want to make their position clear in this debate. We are in favour of sanctions.

In the past the House, perhaps after a long struggle, has always come out on the right side. My hon. Friend the Member for Monklands, West (Mr. Clarke) referred to the debate over 150 years ago about slavery. It would not be too difficult to imagine some hon. Members, if they had been present, who would have been arguing for slavery.

Mr. Tony Banks: They probably still do.

Mr. Winnick: That is probably so. Some years later the House declared itself on the side of the Government of the United States against the South, which was defending slavery in that country. Nearly 50 years ago the House decided, at long last, that a stand had to be taken against a monstrous racist tyranny, which was intending to enslave all Europe. The right hon. Member for Pavilion knows much about that and he played a distinguished role in that war. I believe that the same is true today over South Africa. As I have already said, one can no longer be neutral. One is either on the side of oppression or the oppressed. The Labour party is on the side of the majority of people in South Africa who want their freedom and who are sick and tired of being denied their basic human rights and are determined to win their freedom. We are on their side and we are proud to be so.

Mr. Speaker: I remind the House that at the beginning of the debate I said that because of pressure I would operate the 10-minute limit on speeches between 7 o'clock and 8.50 pm. We are now in that period.

7.8 pm

Mr. Alistair Burt (Bury, North): Three weeks ago my hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes), my hon. Friend the Member for Burnley (Mr. Pike) and myself paid a visit to South Africa and Zimbabwe at the behest of Christian friends. We went not as a parliamentary delegation but as brothers in Christ. We would like our speeches to be seen together and in breach of a convention in the House, we will refer to each other as hon. Friends. I hope that *Hansard* will take note and will understand why we would prefer to refer to each other in that way.

Each of us will describe a different part of the visit but we believe that together they form a rather different pattern and a different sort of trip from trips that the House has heard about for some time. Convinced as we are that our political activity is only one way in which the Lord wishes us to follow His will for the world, we went to see our friends in South Africa and learnt of their problems at first hand. It may embarrass others, but not us, to admit that mankind alone will not solve the world's problems. We proclaim that the love of Jesus Christ was never more necessary than it is in South Africa today.

I address my first remarks to those we met and left behind. There is a large group of people in South Africa whom many have ignored. They are those of all races who are working patiently for simple fellowship and reconciliation in pure human terms by meeting each other and sharing their lives and experiences. It was largely with those people that we spent our time, and through their friends across the political spectrum that we had contact with their politics.

Some of those with whom we stayed were white opponents of apartheid and had been so for decades, but all were people who realised that the abolition of the legislative structure of apartheid is almost secondary to the struggle to change hearts and minds. They should not be ignored, for if any group epitomises hope in South Africa, it is that group.

When Michael Cassidy began the National Initiative for Reconciliation last September, he lit the fuse for people to come together and then spread such a message throughout the country. But with so many political imperatives facing us, why should this one be so important? The fear and suspicion that apartheid represents and that so polarises communities in South

Africa is built on the ignorance of one race for another. I do not say that from my own observations; eight days in South Africa would not give me the right. I simply repeat the comments that I heard there.

The reason for that ignorance is simple but chilling. The tragedy of South Africa is not that apartheid has failed but that it has succeeded all too well. It has prevented the ordinary human contact between people which allows one to know another, to learn his point of view, to evolve beliefs and to resolve fear of the unknown. Such separation is at the root of the South African tragedy. So to those whom we left behind we must say, "God bless you and your work in Cape Town, Mitchells Plain, Crossroads, Soweto, Alexandra, Johannesburg, Durban and Ulundi. We saw it, we shared it, and we shall not forget your fellowship and kindness nor your excitement and hope for a new South Africa amidst all your worry."

The task is how best to help South Africans to build a future for their country. I believe that it is self-evident that their political system is inadequate to meet the aspirations of those people. We should address ourselves to encouraging the process of reform which will allow all in South Africa to have a voice. The main political question is no longer apartheid but power. The question is not "whether change"? but "when". It is not good enough for the House to promote steps that will lead to change for the sake of change. We must look beyond, and not destroy the inheritance of South Africans even before it is claimed.

Quick change, based on violence and not constitutional reform, would be a dangerous road to follow, but only as dangerous as not responding to the urgent demands for reform now.

The experience of going to South Africa has changed my understanding of the situation, which is hardly surprising. All three parliamentarians revised their views whilst there, and I express my support for my two hon. Friends the Members for Southwark and Bermondsey and for Burnley, who may be saying slightly surprising things to their parties.

Why should Conservative Members consider a change in policy? The first reason for considering a change is the urgency of the matter. I say that not just because the security situation is dire but because the polarisation of views within the black community and the white community, and therefore between them both, is increasing frighteningly quickly: hence the breakdown between generations in the townships, the anarchy and the frightening necklaces. That undermines the work of reconciliation. It is vital that such polarisation is arrested quickly, for it contains the seed of an African Lebanon. It calls for prompt action internally and begs the question of action externally.

The second reason for considering a change in policy is that I must honestly report to my colleagues that, although our view on sanctions is understood intellectually by both blacks and whites in all sections of South African society, sometimes wholeheartedly and sometimes with reservations, there is genuine scepticism among black South Africans about whether we are doing all we can. Despite assurances of our position, that we oppose apartheid, seek the release of political prisoners, and support the unbanning of political groups, there is a feeling that that is not enough.

I report that feeling objectively, but I stress to colleagues the respect in which Britain is held, the need for Britain to be a leading part of the international community and the Commonwealth, and the crucial point that such a view of our position must not be lost. I firmly believe that the Government's position until now has been right. I suggest only that, in response to the EPG and other opinion, we should take note of the pace of change and of developments in South Africa.

Between full economic sanctions, which I do not support, and the measures that we have already taken, which I do, there is a fair gap. Moving into that gap, in concert with others – for it must be so – in a limited way should now be an option for the Government to consider. But there is another side. I return firmly convinced that the people of South Africa need more support, not less, more encouragement and persuasion and less isolation. Any effective reform process must be fuelled from inside and not outside South Africa. That is where the pressure now comes from.

The political imperatives for positive support must be obvious. Give those who are attempting reform nothing – and they include members of the white Government – give them no credit or support whatever, and what does one put in their hands with which to defeat the white Right wing? Even more obviously, we must put something in the hands of moderate black African leaders. They must have some fruits for their patience and non-violence – otherwise, why should their people follow them? I believe that the key to such positive action lies in identifying the priorities in South Africa for the development of black aspirations both outside and inside the political arena. The political agenda is already well developed, and I hope that I do not need to elaborate my support for a quick end to apartheid and for constitutional reform. But there is an urgent need for equality of health care, for improved housing and, above all, for education.

Those are areas in which the international community can assist further, and in which this Government are already working. By identifying non-governmental agencies through which to act, some of the basic problems of poverty and ignorance, which fuel political instability throughout the world, could be tackled. That must be coupled with, and be in step with, internal political reform. I believe that that represents the best hope for the development of a sound future for all races in South Africa. I commend it to those who seek only the negative road of sanctions, for this is a positive way of showing support for the black community, and I believe that it would do us much credit.

I shall develop just one of those points, that relating to education. The scale of the problem of education for black South Africans is immense. South Africa has huge rural areas, and townships where some blacks claim that there has not been effective black education for 10 years. Over generations the failure of black education has removed a generation of moderate, effective black African leaders who could, even now, join those who already exist to resist the radicals. Of course, educational reform is long-term. However, there is no time to lose. We might think seriously of supporting the calls to give black education back to the churches. That is how things were in the past, and it may ensure goodwill and success for the future.

I turn finally to those who believe that the bulk of the trouble is caused by Communist agents among the black South African people. Let me tell them that, if a western democracy is to be created in South Africa, if capitalism is to survive there, and if we are to remain friends with the South Africa of the future, some of the things in which we

[Mr. Alistair Burt]

believe will have to work. One cannot lecture the black migrant worker who earns nothing and lives in a hostel in Alexandra about capitalism and tell him that it is good for him. One cannot lecture the disfranchised and tell them that Communist state control will take from them the wealth and power that they have never had. One cannot lecture those with no aspirations, or hope of advancement for themselves and their families in the present system, that something else will be worse, and genuinely expect to remain credible.

If we are to secure a commitment to ideals that we hold dear in democratic, social and economic terms, all South Africans must have the benefit of them now, and we must make sure that they system works. That is the best and only way — not repression — of reassuring those who propose alternative political and economic systems. We should have the courage to support reform in South Africa, to join those working for reconciliation and fellowship there, and to show that we are on the side of those who say no to oppression, no to fear, no to injustice, and no to revenge. They include all good black, white, coloured and Indian people working with the spirit of God in South Africa — truly the South Africans of the future. We have seen them; give them a chance.

7.18 pm

Mr. John Hume (Foyle): I intend to be brief, as there is nothing new to say about this subject. All hon. Members seem to agree — that is, if they mean what they say — that apartheid is an evil and inhumane system that should go. There seems to be general agreement about the remarks of the EPG that the South African situation threatens the worst bloodshed to be seen since the second world war. Consequently, I wish merely to ask what hon. Members would do if they were black South Africans faced by that situation. What would they do in a situation where the normal democratic rights and processes do not exist? They do not have a vote or access to any of the normal democratic institutions to deal with the assault on their fundamental human dignity, nor do they have the right of peaceful protest. They are banned when they try it; they are shot and gassed.

In such circumstances is it not remarkable that there has not been a great deal more violence? Martin Luther King said of South African blacks 20 years ago that they had withstood abuse and persecution with a dignity and calmness of spirit seldom paralleled in human history. How much more is that tribute due to the South African blacks today? The right hon. Member for Brighton, Pavilion (Mr. Amery) listed many areas in which there had been massive violence and admitted that there had been a great deal less in South Africa. The question that Conservative Members have to ask themselves is, what would they do as blacks with no access to any peaceful method of redressing injustices?

What are the blacks doing? Those who see that violence brings its own evils are asking us for something moderate. They are asking Britain to do less than it did when its territorial rights were threatened in a small dispute in the South Atlantic affecting only 1,800 people. Then the British Government asked for international sanctions, which they backed up with great physical force. The blacks in South Africa are not asking for that. They are asking simply for international sanctions to help them create circumstances in which dialogue can begin between black and white about the creation of a non-racial democracy in South Africa. That is all they are asking.

In Tokyo some weeks ago the leaders of the most powerful industrial nations met, rightly, to discuss the threat of international terrorism and to take action to deal with it. I say "rightly" because it is a serious problem, but it is in no way as serious as the problem which, in the eyes of eminent world statesmen appointed by the leaders of the Commonwealth, threatens violence and bloodshed on the scale of the second world war. Mr. Shultz, the American Secretary of State, walked out of that Tokyo meeting and said, "Gaddafi, pal, you have had it; you are isolated." What is wrong with the same leaders meeting again to discuss the serious situation in South Africa and with Mr. Shultz, or anyone else, saying, "Botha, pal, you have had it; you are isolated."? What is wrong with taking the necessary steps to ensure that he is isolated?

7.23 pm

Sir Peter Blaker (Blackpool, South): Like the hon. Member for Foyle (Mr. Hume) I recognise the horrors of the apartheid regime in South Africa. There has been virtually no disagreement in the House all day on that. The question is, how can we in this country help to change that regime? I want to make a vital distinction between general economic sanctions, which I do not favour, and particular measures about which I shall say more in a moment.

President Kaunda was quoted as calling for sanctions to shorten the agony of the front-line states. That remark reminded me of a statement by Lord Wilson of Rievaulx, then Prime Minister of this country, at the Commonwealth Heads of Government conference in Lagos in 1966, when he said that it was likely that the rebellion in Rhodesia would be over in weeks rather than months. Yet it lasted for another 15 years. I do not think that the duration of the Rhodesian UDI gives much guidance about how long the problem may last in South Africa before apartheid is removed. If anything, the chances are that it is likely to last longer than the problem in Rhodesia. That is what makes me nervous about any suggestion of all-out economic sanctions.

The ratio of the population in South Africa makes it more difficult for the blacks to achieve success. The ratio of black to white in South Africa is 5:1 against 22:1 in Rhodesia. The economy in South Africa is stronger and it is in the hands of the whites. There would be more incentive for outsiders to evade sanctions because the pickings of evasion would be richer and buccaneers from all over the world would be plunging in to take those pickings.

It would be easier than in Rhodesia for people to evade the sanctions because South Africa has thousands of miles of coastline. Rhodesia did not have a coastline, although it had an opening to South Africa. To the north of South Africa there are front-line states that could not be expected to impose full economic sanctions because they are so totally dependent on commerce with South Africa. For example, 94 per cent. of Zimbabwe's trade goes through South Africa.

Another factor that leads in the same direction is the history and nature of the Afrikaner. Very little has been said about that. The white population of Rhodesia was largely of British stock. We can be stubborn at times, but

I do not think our stubbornness is a patch on the stubbornness of the Afrikaner. Those who call for full economic sanctions fail to take that into account.

The Afrikaners have been in South Africa since 1652. They believed from the beginning that they had a covenant with God to rule that country. That required them to be top race, and the black man, by God's ordinance, was inferior.

Mr. Fairbairn: He was not there.

Sir Peter Blaker: The Hottentots and others were there. The British arrived in South Africa only in 1805 – many decades after the Afrikaners. The Afrikaners have only one passport. Unlike many people of British stock in South Africa, they do not have the option of going to another country.

The right hon. Member for Clydesdale (Dame J. Hart) said that influencing the economy was the key to solving the problem. I think that she is wrong. Influencing attitudes is the key to solving the problem. If we think that influencing the economy is the key, we are deluding ourselves dangerously. Influencing the economy may indirectly influence people's attitudes, but it is the attiudes that we have to consider, and the stubbornness of the Afrikaner should not be underestimated. The road through general economic sanctions would probably be long, hard and bloody. Indeed, general economic sanctions might arrest the processes of change in South Africa, such as they are at present.

I do not rule out more measures. Some are mentioned in the report of the Eminent Persons Group. My right hon. and learned Friend the Foreign Secretary spelt out some of the criteria that we should apply in considering measures. I agree with the criteria that he stated. We have to choose them carefully and make sure that they stiffen white resistance as little as possible. We have to make sure that they will do the minimum harm to the blacks. They must be applied internationally. It is no good if just a small group of countries applies measures.

My next point echoes the remarks of my hon. Friend the Member for Bury, North (Mr. Burt) who made an excellent and constructive speech. Incidentally, I have not found much constructive content in the speeches of Opposition Members. We must try to remove the fear of the Afrikaners and the whites in general so far as we can. We should be looking for non-confrontational ways to encourage the South African Government to release Nelson Mandela. From what I have heard of Nelson Mandela, that would be a positive and helpful move to achieve a dialogue. Those who have met Mr. Mandela speak highly of his moderation and good sense. His involvement in a dialogue would be a key to progress.

If there is to be a dialogue, there must be an agenda for dialogue. That is missing at present. It would be a mistake to imagine that we could impose an agenda. An obvious impression of interference from outside will not work. The agenda must be South African generated and there must be a South African solution. Many of those who call for drastic sanctions overlook the fact that the solution can only come from inside South Africa.

We should be assisting those who believe in peaceful change. I agree with earlier comments that we should support Chief Gatsha Buthelezi. The experiment in Kwazulu-Natal and the indaba there is enormously interesting. Under that experiment, 30 organisations are sitting down to thrash out how to achieve a common administration and a common assembly. As I understand it, the principle of a common administration has already been conceded by the Pretoria Government.

I was very interested in the remarks of my hon. Friend the Member for Bury, North about help for African education. That idea is worth following up.

Those who call for all-out economic sanctions may find that such a call makes them feel better – my right hon. and learned Friend the Member for Hendon, South (Mr. Thomas) made that point very well – but they will achieve very little else that is positive. Their policies might result in more bloodshed than is likely at present, and they certainly would not work for decades.

7.31 pm

Mrs. Ann Clwyd (Cynon Valley): It is 11 years since I visited South Africa and Kwazulu and witnessed some of the things described by Conservative Members, but which Opposition Members have described more accurately. I visited the Legislative Assembly in 1975, and black after black went to the microphone and declared that they were not afraid to die for their freedom. It is now 1986 and little has changed. If the blacks were saying that 11 years ago, what can they be saying now?

Kwazulu was supposed to become one of the eight viable, independent states within South Africa, where the black man could enjoy separate development. An article in the *Rand Daily Mail* stated:

> "In practice, they will amount to little more than a chain of labour reservoirs to which white South Africa will send requisition orders for workers. There cannot be many who believe in the theory any more."

The Zulus do not believe it and to suggest that they do is a totally inaccurate portrayal of their feelings.

Having reluctantly agreed to implement the Government's policy of separate development, the Zulus are beginning to realise that the homelands policy is based on diverting the attention of the blacks away from clamouring for justice and equality in a common society.

Speaker after speaker in 1975 argued that agreement must be reached soon on a fair share for all in the considerable economic wealth of South Africa; anomalies in land, development, education and opportunity, and the long list of inequalities and discrimination had to be ended. That was said 11 years ago.

Many Conservative Members have quoted from Chief Buthelezi's speeches. I interviewed Chief Buthelezi 11 years ago while I was working as a journalist. He said:

> "We have been prepared to endure abuse in the hope that the Government's policy may be a road to real fulfilment for blacks. If this road is leading only to a cul-de-sac, then our only alternative is to seek fulfilment not in unreal separate freedoms, but in one South Africa and the only seat of power which is Parliament."

It is obviously a false premise to suggest that Chief Buthelezi has adduced the argument that some Conservative Members have put forward.

The speeches made in that assembly 11 years ago were very interesting. The guest of honour was the Minister for Bantu Administration and Education. Among his several platitudes was a remark which, taken in the context of South Africa's annual expenditure, completely gives the lie to Nationalist claims that their policy for the blacks is one not of separation, but of equality. He said:

[Mrs. Ann Clwyd]

"I think that we are all agreed that a properly educated and trained people is the most essential prerequisite for a developing country and can perhaps be regarded as the cornerstone of the infrastructure to be provided."

A simple look at the Government's figures shows that they count defence and the maintenance of white privilege as their top priorities. In education, as some of my hon. Friends have said, the gap between the amount spent on whites and that on blacks has widened year by year. Six times as much is spent on white education as on black education.

How long must the blacks wait? Does the House recall the "Give us six months" speech of Mr. Vorster in 1975? That certainly raised expectations, but little has happened.

I address my next question to people who have not been to the homelands. How would they feel if they were black, living in the homelands and had to watch their children die from measles because they could not afford the vaccine to treat the measles? How would they feel if they were in hospital and the surgeon had to send the instruments 30 miles down the road to be sterilised? That is the reality of life in the homelands of South Africa. If anyone needs to confirm that evidence, they can speak to the Dutch doctors who are trying to provide medical services in some of the poor hospitals in the homelands.

To see children dying from measles and other dseases, which could be treated, simply because they are black, lays the lie to any arguments that equality is being sought in South Africa, which is one of the richest countries in the world. By choosing the publication day of the Eminent Persons Group report to declare a state of emergency and to gag the media, the South African Government have destroyed their last vestige of credibility — if they ever had any.

People have argued that there have been reforms. For the blacks, probably the most important reform since apartheid was first introduced has been the abolition of that document of repression—the pass—without which a black could not work in an urban area. Failure to produce that meant immediate arrest. Even its abolition has not give blacks a feeling of freedom, according to the Eminent Persons Group. The report stated:

"The abolition of the 'pass' . . . has evoked at best scepticism, at worst indifference."

The idea that black people are to have a new form of mobility and will be able to move into urban areas is clearly nonsense when the housing shortage is acute in all urban areas. The system will continue under which men and women are separated and prostitution is encouraged by the South African Government. Men are herded into hostels; the women are left to scratch a living in the non-viable homelands and to raise their children in great poverty. That is the reality of life in South Africa today.

Surely, sanctions are the least and the most at the moment that the outside world can do to put pressure on South Africa. The Government's reluctance to make any credible suggestions today shows how deeply involved they are financially in propping up that abhorrent way of life in South Africa. The City of London and some Conservative Members have more than a passing interest in retaining the status quo. Otherwise, why not have a boycott on South African gold, which is so essential to its economy? That could be changed overnight—as soon as a policy that will do justice to the majority in that country is put into action.

Sanctions, even at this late stage in the history of South Africa, would represent an attempt to alter the course of history. Now is the time to stand up and be counted. The Government's feeble response to the tragedy that is now unfolding before our eyes in South Africa is an indictment of their refusal to face reality. I ask them tonight to change their mind on this issue, before they are indicted for more murders in South Africa.

7.40 pm

Mr. Ivor Stanbrook (Orpington): The hard truth about South Africa is that the South African Government are determined to keep control of the country in the hands of the white community, come what may. We British, on our colonisation of Africa, never seriously pretended that we would be there permanently, because our ethos of government is and was democratic. We who worked in the African colonies know that we were working ourselves out of a job. We trained Africans to take over from us, and we taught them our values and our standards of government, many of which remain, despite outward appearances. We always believed in government by consent. That is why the empire developed into a Commonwealth.

However, the South Africans of the National party, the majority of the Afrikaners, reckon that they are there to stay, as an alien minority. They have nowhere else to go. They intend to buttress their position. In order to do so, they evolved a theory of racial superiority, which gave them a spurious moral justification to disregard democracy. That theory, when applied at ground level, person to person, is inevitably cruel and offensive. The South African regime, in its determination to retain power at all costs, is as vile and wicked as anything that we can see in the contemporary world, despite the outward trappings of civilised society.

I see no difficulty in supporting the Government's amendment. Indeed, I see no difficulty in supporting the Opposition's motion; I would not vote against it. It is wrong for people to suggest that there is a split in the Conservative party or in the House as a whole. We are talking about the practical difficulties of securing fundamental change in South Africa, not about the principles of the matter.

It is clear that the Government wish to see an end to apartheid and a fundamental change in the political control of South Africa. The question is what sort of change and how to achieve it. We must not allow ourselves to be regarded as being on the side of South Africa simply because we do not know what to do to change that control. We have to do something, both as a moral duty in dissociating ourselves from what is going on there, and because, like it or not, inaction will surely bring greater disasters both for South Africa and for supposed friends such as ourselves.

We do not want to bring about changes by destroying the South African economy, nor do we want to take measures ourselves that will not be effective and supported by all the countries that matter. But action—real action —of some sort there has to be. Our need to defend South Africa's right to pursue its own domestic policies without outside interference, taking into account our investments there and its strategic position, has been like a millstone around our neck. If we do not cast it aside and insist on significant and fundamental changes, it will be our interests in Africa that will perish.

7.45 pm

Mr. Allan Rogers (Rhondda): It is a pleasure to follow the hon. Member for Orpington (Mr. Stanbrook), and particularly the hon. Member for Bury, North (Mr. Burt). I share his Christian faith, but, alas, I lack his strength to carry it out with the same commitment. I see the hon. Member for Luton, North (Mr. Carlisle) smiling again at the expression of someone's Christian faith, in the same way as he did when his hon. Friend was speaking. I do not know why he should be embarrassed by Christ. Many people in the world are not.

More so than any other hon. Member who spoke, the hon. Member for Bury, North reached the essence of the argument. Stripping away the economic, political and social arguments that can be put up, at the end of the day the debate is essentially about morals, as the hon. Member for Orpington said. Those two hon. Members should bear in mind the attitude of many of their hon. Friends. As has been said by my hon. Friends, the Tory party is a friend of apartheid. It is strange that Conservative Members preface all their remarks by saying, "We do not like apartheid. We deplore apartheid, but . . . We do not like it, but . . . "

The Tories think that the National party rule in South Africa is very good, and that President Botha should be given the benefit of the doubt. They welcomed him to Britain in 1984. They now welcome his reforms, calling them positive measures and denying that they are irrelevant. But only two out of the 317 apartheid laws have been removed, and Botha has made it clear that he is opposed to any removal of white minority rule.

The opposition of Tory Members of Parliament and the Tory party to apartheid is half-hearted for a particular reason. At least 34 Conservative Members have declared directorships and interests in companies with assets in South Africa. At least six Tory Members of Parliament have been on South African Government-sponsored visits since 1983. Indeed, with the hon. Members for Macclesfield (Mr. Winterton) and for Luton, North, we wonder whether they represent South Africa in this country as their paid lackeys.

The Liberals make fine remarks about apartheid, but they still have their sister party in South Africa — the white-led Progressive Federal party, which supports the notorious federal solution. The Social Democratic party talks of a confederal solution in southern Africa, but its economics adviser, the hon. Member for Stockton, South (Mr. Wrigglesworth), is a paid adviser of Barclays Bank, a key bank in South Africa.

The arguments against apartheid have been made on many of the levels that I mentioned at the beginning of my speech, but I should like to look at the role of Wales and the relationship of Welshmen to South Africa. I am not pleased to say it, but some of that relationship has been grossly shameful. It does not apply to all Welsh people. It is long ago that Dai Francis, the general secretary of the National Union of Mineworkers, with Glyn Simon, Archibishop of Wales, held a vigil on the night when Nelson Mandela was sent to prison. He has since been incacerated for an obscene number of years. Many good Welsh people have struggled continually over the years in the fight for the anti-apartheid movement. But not all of them. To personal and national shame, many people have sought to forge cultural and sporting links with South Africa, giving succour and credence to the anti-Christian regime there.

On Friday 11 February 1983 *The Guardian* published an article entitled "How South African money is made to talk in Britain." I am sorry that the right hon. Member for Brigton, Pavilion (Mr. Amery) has now left the Chamber because I wanted to ask him to explain his role as a council member of the Foreign Affairs Research Institute, which is a Right-wing publishing house and lobbying group with which the hon. Members for Luton, North and for Macclesfield and the noble Lord Chalfont are associated. The institute is funded by South African secret service money. The South African secret service also funds the Freedom of Sport Association, of which the noble Lord Chalfont is president.

Mr. John Carlisle: Rubbish.

Mr. Rogers: The hon. Gentleman knows that what I have said is so. He knows the truth.

When Lord Chalfont was challenged as he got off the plane at London airport on his return from South Africa, he said, with a convenient lapse of memory, when he was asked who had paid for his ticket, "I have forgotten," or, "I do not know." One cannot imagine someone making a visit to South Africa and then not knowing who had paid for his ticket.

The record of people, as outlined in many publications during recent years, is shameful in their connection with the filthy money that is given out by the South African secret service.

Mr. John Carlisle: On a point of order, Mr. Deputy Speaker. I seek your advice on whether it is in order for an hon. Member to cast aspersions on Members of this House and another place with an accusation that we are in receipt of money from a South African source?

Mr. Deputy Speaker (Mr. Harold Walker): Hon. Members should not cast doubt on the integrity and probity of Members of either House. The hon. Member for Rhondda (Mr. Rogers) did not go quite that far, but I hope that he will bear in mind that, when the 10-minute rule applies, it is difficult for an hon. Member to seek redress by intervening.

Mr. Rogers: It is indeed. That is why I went out of my way to mention the Foreign Affairs Research Institute and the Freedom of Sport Association and stated that those organisations receive their funding from the Bureau for State Security — BOSS — the South African Government and from the South African Rugby Board, which incidentally, got a quid pro quo grant from the South African Government equivalent to the amount of money that they gave to the Freedom of Sport Association.

Those are the links between Britain and South Africa that are funded by that money. We know why those people are associated with those links. I wish that they would be honest about it. If they wish to advocate their views for whatever political reason, it is up to them; but it is not for them then to come to the House and say that they are against apartheid and that they do not support the regime in South Africa when they have bent all their efforts for many years to be apologists for South Africa in the same shameful way that the House many years ago had apologists for Hitler and the Fascist regimes that were developing in Europe.

[Mr. Rogers]

Opposition members have no problem. We have laid down our markers. We are against apartheid and we wish to do something about it. That is the essential difference between the two sides of the House.

7.53 pm

Sir Ian Lloyd (Havant): It is extraordinary that the House should be subjected to such a corrosive flow of cynicism on the subject of South Africa. It is extraordinary that the view of the hon. Member for Rhondda (Mr. Rogers) should be that no hon. Member — this is the conclusion that I am compelled to draw — can ever adopt any view based on genuine personal conviction; there must always be some rather nasty association. The hon. Gentleman can wave papers at me but that does not dispute my point.

It is important to note that the distinction that the hon. Gentleman and many like him fail to make about many Conservative Members is that we do not support apartheid. We do not support the South African Government, but we have a genuine interest in South Africa and all its people and we wish to see them improve their position, flourish and survive. That is an entirely genuine and legitimate aspiration for any hon. Member. Having that aspiration does not associate an hon. Member with any part of apartheid. That point must be made repeatedly.

The right hon. Member for Plymouth, Devonport (Dr. David Owen), the leader of the SDP said that there was not enough moral indignation. I am sorry that he is not in his seat. It seems to me, listening to the debate this evening, that so great has been the flow of moral indignation on the subject, year after year, decade after decade, that it could be described as the longest running political show in town.

Does it matter whether we show moral indignation at this time? We are trying to do something effective; the word "effective" appears in both the motion and the amendments on the Order Paper. We should direct our attention to the word "effective". In that context I remind the hon. House of the warning given long ago by the great German poet Goethe who said:

"Beware those in whom the urge to condemn is overpowering."

We see a lot of hon. Members tonight in whom the urge to condemn is overpowering. I should like to see the urge to help, to analyse, to assist and to find solutions coming forth from the House rather than the urge to condemn.

The wheel has turned full circle since we debated Rhodesia and sanctions on that country nearly 20 years ago. I shall not attempt to make any ritual condemnation of apartheid to make my purpose clear. My purpose is to define the objective and to examine, if time permits, the Eminent Persons Group report.

It is not difficult to define what is needed in South Africa. We all want a stable, prosperous, self-confident society in South Africa, which enjoys self and international respect. No one would dispute that. What are the conditions of recovery? First, they are partly a constitutional process, which as several right hon. and hon. Members said, only the South Africans themselves can devise, so complex is their position. Let us never forget that. It is without doubt the most complex political system on the face of the earth today.

Secondly, we want to see equality of opportunity and treatment. How do we get there? We want to see an acceptable and defensible structure of power. How do we get there? We want to see an acceptable amalgam — again that is something which is unique to South Africa — of racial relationships and attitudes, which will be not offensive but acceptable. How do we get there?

The problem is not so much to interpret the problems, each of which in itself is profoundly difficult, as to find the route to solving them. How do we get from the position in South Africa today to what will exist in perhaps three, five or ten years' time? I would be the first to concede that there is not much time left.

The best definition that I have ever heard of racial prejudice is

"false fears leading to real sorrows."

South Africa has got beyond that. It has reached the point where those fears and sorrows have been fulfilled and extended. Real sorrows now lead to real fears and real fears to intransigence and intransigence to the entrenchment of prejudice, violence and destruction. That is the vicious circle that we must break. The political processes are increasingly frozen into immobility. The road back is difficult. The road back from any cauldron of hatred and suspicion — whether it be Beirut, Sri Lanka, the Punjab, Soweto, Uganda or even Ulster — is not known or signposted for political tourists, even those who go to those countries for visits of two or three weeks. There are no route maps. There is plenty of advice but few listen. We are deafened. They are deafened by the violence. The only criteria which the communities out there obey are the criteria of day-to-day survival.

Will sanctions break the cycle? No, they will compound the difficulties. They will entrench the attitudes. They will justify the "I told you so's". They will postpone the solutions. The choice has never been better put than it was put in the House nearly 200 years ago by Burke. It is a choice between "change by insensible degree" and

"the unfixing of old interests at once."

Burke outlined the difficulties for us. Of the former, he said that it

"has all the benefits which may be in change without any of the inconvenience of mutation".

Of the latter, he said that it

"is a thing which is apt to breed a sullen discontent. A gradual course . . . will prevent men under long oppression from being intoxicated with a large new draught of new power, which they always abuse with a licentious insolence".

Burke was as correct then as he would be today.

Anything that aggravates the political or economic discontent in South Africa or anywhere else will stimulate insolence and enlarge license. But my main objection is much more fundamental. Sanctions are an indiscriminate method of attacking a particular objective. They are totally indiscriminate and undiscriminating in their consequences. They could be described, although I would not seek to press the anology too far, as a form of political terrorism.

What are we attacking? We are attacking a detestable political perversion, not unlike the psychopathic behaviour of an individual. But for the individual we identify the symptoms, we give treatment that is specific, we isolate if all else fails and we do not starve and assault the patient.

Do sanctions differentiate between those who detest and those who support apartheid? Do they differentiate between those just born and those about to die? Do they

differentiate between those who have the power of decision and those who have no power of decision? Do they differentiate between those – there are such in South Africa – who love freedom and those who have nothing but contempt for it? Do they differentiate between the poor and the rich? Do they differentiate between those who understand our motives in this House and those who have nothing but contempt for them? Do they differentiate between those who value western opinion and those who hold it in contempt? Do they differentiate between those whose fathers and grandfathers died in Flanders and at Alamein and those who sympathise with Hitler? Do they differentiate between those who nurture and nourish racism and those who are ashamed and disturbed by any lapse of human dignity and courtesy, whether it occurs in South Africa or anywhere else? Do they differentiate between those who have devoted their lives to bettering the conditions of Africans everywhere in southern Africa and those who, for whatever reason, have done nothing? Do they differentiate between those who have £1 million in their bank accounts and those who have very little in their bank accounts? Finally, do they differentiate between those who wish to negotiate change and those who are intransigent about change?

The answer, as the House well knows, to everyone of those questions is no. Sanctions do not differentiate. They are a blunt and ineffective weapon. I entirely support Her Majesty's Government in refusing to support sanctions.

8.3 pm

Mr. Simon Hughes (Southwark and Bermondsey): Until three weeks ago my justification for speaking in the debate would have been my theoretical and political opposition to apartheid. But, as the House has already heard, three weeks ago my hon. Friends the Members for Bury, North (Mr. Burt) and for Burnley (Mr. Pike) and I went to southern Africa. All of us would now say, as the Foreign Secretary implied about his visit to South Africa, that that experience has probably changed our lives more profoundly than any other experience to date.

To be in Crossroads a matter of a day or two after 20,000 to 30,000 people were made homeless from that squatter camp, where their homes had been only corrugated iron shacks; to be in Soweto talking to somebody who had survived necklacing, but only just, a matter of a few days before; and, on the other hand to be in Alexandra township in a church with people who are still prepared to keep faith and believe that it is possible for justice to be done; and to be with Christian politicians who are prepared to meet across political parties and colour boundaries to work for reconciliation, has left us all profoundly changed. We all share the words that the Eminent Persons Group used to begin the first chapter of its report:

"None of us was prepared for the full reality of apartheid."

That visit was a privilege. It was a privilege to be invited by Christians in southern Africa as Christians from Britain. We came back more than ever convinced that the future of South Africa is the most important moral, spiritual, political and international issue today.

The United Kingdom has a uniquely important responsibility. As a former colonial power, as head of the Commonwealth in practical terms over the years, as a key European Community nation, as one of the seven economic Western powers and as the country with nearly 45 per cent. of direct and indirect investment in South Africa, we have probably the key international responsibility. What is more, in South Africa we are perceived as having probably the key international responsibility. I say in all honesty, as my hon. Friend the Member for Bury, North said, that, whatever the words used by the Government and whatever their honesty, the other perception is that we are not committed to bringing about a change in time.

The goal is obvious. The House has enunciated it often. It is to dismantle apartheid. It is to achieve a just society. It is to bring about a prosperous non-racial South Africa. What are the realities? The realities are that there is a third world country for the black peoples of southern Africa and a first world country for the whites; that the inequalities are enormous; that the economic situation is declining with rising unemployment, a worsening financial situation and companies increasingly pulling out; and that the Government regime is on the defensive.

The Government have wanted reform but they have not yet committed themselves to the dismantling of apartheid. Reform, as the Eminent Persons Group has clearly said, is all that the Government are willing to support so far. Many are people who have prejudice and fears. Some have accepted the need for fundamental change. Many have moved out of their laager, which has been taken by the extreme Right. Many know that they cannot go back, but do not yet have the courage to go forward. They probably have all sorts of inhibitions about doing so.

There has been superficial desegregation. Some legislation has been repealed, but, as hon. Members have said, the two pillars of apartheid – the lack of political equality and the Group Areas and Registrations Act which underpin apartheid – are still there. Increasingly, in the white, Indian and coloured communities people are desperate for the Government to move in South Africa. But in the black communities there is a far more severe problem. Increasingly large numbers — thousands, probably millions, particularly of the younger peoples in townships — of black youngsters are losing patience and many are taking the law into their own hands because they have concluded that white capitalist Christianity has not shown them any solution.

Mr. Terry Dicks (Hayes and Harlington): How does the hon. Gentleman know that?

Mr. Hughes: I know that because they have told us and because we have seen that. It is because it is not in anybody's interests that that should continue that my right hon. Friends the Members for Bury, North and for Burnley and I, as three politicians from different parties, have a duty to say that to the House today. The black archdeacon whom we met in Johannesburg said:

"You Europeans came here and preached your faith and European culture on the basis of Christian equality and then you rejected us as equals."

What can people feel like after that? That leads to violence.

South Africa will never be able to accommodate all people. There will always be extremists who will not be willing to accept any solution, but we must push them to the margins to reduce their numbers and we must not overplay the Right-wing backlash. Only 15,000 people turned up at a rally at which 60,000 were expected on republic day at the Voortrekker monument at the end of May. But many more people are willing to become extreme in the townships, and that is something that the international community cannot allow to continue.

[Mr. Hughes]

What action can we take that would be in the interests of all the people of South Africa? Action is taking place internally and political pressure is mounting to end apartheid and to see the beginning of economic, social and political justice. We should judge other action by its effect on South Africa and on Africa and only then on the United Kingdom and the West. Events in South Africa are leading towards bloodshed and death and are reducing the prosperity of Africa as a whole. Events are alienating the United Kingdom from a future black South Africa and from the greater continent, and are leading to alienation of the West, which will prevent us from playing any key role in the future of that black continent.

How may we judge which action is effective? The test, as people have begun to enunciate, is what brings about a change of attitudes in South Africa. We may have differences of view, and so do people in South Africa. Increasingly, however, more people, black and white, are saying that economic sanctions are now the only course to follow. That is the only peaceful way of filling the vacuum between diplomatic sanctions, which are too meagre, and the military option, which is too severe. The South African Government know the effectiveness of sanctions as they periodically use them against their neighbours. Sanctions have proved effective on them.

It may not be in our short-term interests, but it will be in our mid and long-term interests to use sanctions, and we must base our decision on that and not on the interests of tomorrow or next week. The issues are not simple, but pressure has to include economic pressure on South Africa. If the House did not believe that before, it should believe it now after the Eminent Persons Group has made that very clear.

My party's policy on this issue has been clear for many years. In 1959 the Liberal party called for a national boycott of South African goods in Britain. In the same year, we condemned the Conservative Government for voting against a motion condemning apartheid at the General Assembly of the United Nations. In 1969 we called on the Labour Government to stop the South African cricket tour that was to take place in 1970. In 1974 we attacked the Labour Government for carrying out naval exercises with the South African navy, and in 1977 we called upon the Labour Government to implement effective economic sanctions against South Africa. People in South Africa have heard about those policies and they complimented me on the position which the Liberal party has been taking for many years.

As an example of bringing about reconciliation we ought to look at Zimbabwe. It has a non-racial society. It does not have a Westminster-style democracy but people are beginning successfully to live together. [HON. MEMBERS: "Zimbabwe is a tyranny."] No, it is not a tyranny. Black and white people believe that Zimbabwe can have a prosperous future, and I share that belief.

My party says that now is the time to tighten the screws on South Africa. The matter is urgent because we do not have much time. As a British newspaper recently commented, Britain has reached a watershed in its policies on South Africa. I know that, traditionally, the advice to the Foreign Secretary by the Foreign and Commonwealth Office has been that sanctions are not very effective, but increasingly the advice he is now getting is that they must be used and that we must take the initiative in those international organisations of which we are members.

We must not be seduced by arguments about constructive engagement. Lord Barber, of the Standard Chartered Bank Ltd., a former Conservative Chancellor, says that we must now take effective economic measures. Lord Barber is the Foreign Secretary's former Cabinet colleague and friend. The Foreign Secretary should listen to him and give our Government credibility. Our constituents require that we now begin to move. The timetable is urgent and a window of opportunity is still open. We must take that opportunity on behalf of all the citizens of South Africa. In large part, their hopes rest with this House.

8.15 pm

Mr. Robert Jackson (Wantage): I should like to start with a comment on some of the Opposition speeches. When they reflect on this debate tomorrow some of them will, or should, regret many of the things that they have said and especially the tone in which they were said.

Let me declare a personal interest because I was born in South Africa. My father's family emigrated there in the 1840s to farm sheep in the Karoo and many of them are still farming there in that strange arid landscape. I was educated in South Africa and came to Britain for the first time at the age of 18. I go back to South Africa frequently and I have a deep concern for the future of that beautiful, complex, and tragic land. It is against that background that I support further sanctions, not as an expression of moral outrage—because it is far too late in the day for that in Anglo-South African relations — but as an instrument of diplomacy: if I may use the expression, I support them in the spirit of continuing constructive engagement.

This diplomacy should be aimed in two directions: first at the internal situation in South Africa, and, second, at the shaping of international policy towards South Africa.

The right hon. Member for Plymouth, Devonport (Dr. Owen) analysed correctly the growing divisions among South African whites, between the verkrampt and the verligt within the Government, within the South African military — an important factor — and notably, as the right hon. Gentleman stressed, within the National party. There is a growing convergence between many nationalists and a majority of the English speakers, and I believe that this is a more important political change than the growth of the Afrikaner Right wing because it opens up the possibility of a return to the formula by which South Africa was governed between 1910 and 1948—as long a period as that since 1948. There is also growing pressure from South African business. Criticisms have come from that quarter in the past, but now they are becoming more anguished and more effective—and more and more it includes Afrikaner business.

British diplomacy and the diplomacy of the West as a whole should be directed to play on those divisions and to promote dialogue, negotiation and accommodation. I was hopeful that this could be done without sanctions and when I returned from South Africa in February I was optimistic about the noises we were picking up about the Eminent Persons Group. But as I should have probably foreseen, the verkrampt tendency has prevailed in the recent attacks on South Africa's neighbours and in the declaration of the state of emergency. The hard-liners have

prevailed for the time being, but not necessarily for all time; and so we are inevitably in a new phase — the phase of sanctions.

My right hon. Friend the Member for Brighton, pavilion (Mr. Amery) made an excellent speech. He concluded that further pressures would be unnecessary and potentially counter-productive. That of course is a matter for judgment and, for what it is worth, I do not agree with my right hon. Friend. International pressures have already played a big part in bringing about those important measures of progress that have occurred in South Africa.

Moreover, I say to my right hon. Friend the Member for Pavilion that we need also to think in terms of influencing the trend of international policy towards South Africa. There is a worldwide drift towards sanctions against South Africa and this drift is now irresistible, whether in the EEC, or in the Commonwealth—where I think we now have an implicit commitment flowing from the Nassau accord — or in the United States where the pressure is coming from within the Congress, if not from the Administration.

Outside South Africa no country's interests are more deeply affected by this drift than Britain's, and it is crucial that we should be able to influence and, to the extent that we can, direct this irresistible international trend towards sanctions. But we can do this only by joining in that trend.

So we should commit ourselves to further measures against South Africa in order to be better able to promote constructive developments inside South Africa and a constructive international policy towards that country. That raises the rather basic question of what developments we should regard as constructive and especially that of the sort of sanctions that we want to encourage. I submit four criteria. The first is that we should avoid unnecessary hardship. I note an element of inconsistency in the speech of the right hon. Member for Devonport, who urged a ban on new investment because it would be less harmful than other forms of economic pressure, but then went on to talk about a ban on fruit and vegetable imports. As I pointed out in an intervention, that would be very damaging immediately to a lot of very poor people. Secondly, the sanctions we adopt should be such that everybody will operate them—and that must mean that they must be limited. Third, they should also be capable of being effectively monitored.

My fourth criterion is more controversial: our sanctions should be specifically targeted. Here I take up a hint from the speech of the right hon. Member for Leeds, East (Mr. Healey) who spoke about a rolling programme of sanctions. Implicitly, he was saying that we should convey the threat that if nothing is done sanctions will be further increased. I would add the further thought that we should offer the prospect of some relief from those sanctions, if progress were made. I hope that the right hon. Gentleman will accept that this important point is another implication of his concept of a rolling programme of sanctions.

Finally, what sort of steps within South Africa should we regard as progress? Here I strike a note of dissent from my right hon. Friend the Member for Pavilion in that I believe we must get the South African Government to recognise that it is no longer merely a question of the reform of economic and social apartheid, where admittedly there has been some real progress. Now we must get the South African Government to recognise that the issue is not what they do for the blacks, but what they do with the blacks. It is a question not of economic and social apartheid being abolished, but of political apartheid being abolished.

On the political front, I agree with the right hon. Member for Devonport that we should not seek to dictate the future shape of the South African constitution. In particular, we should not prejudge the difficult, indeed the central, question of the balance between the ethnic principle and the principle of a common South African citizenship. Both elements are likely to be present in any settlement. Certainly a common South African citizenship is fundamental for us; but I agree with my right hon. Friend the Member for Pavilion that ethnicity also reflects a fundamental reality in South Africa which probably cannot be disregarded.

Those are, however, matters for the people of South Africa to work out for themselves. The basic objective of our policy should be, not so much to press a particular outcome but to promote a process—a dialogue which involves all parties, all personalities and all interests. Let that dialogue and those negotiations take place and then we may have to have a genuine debate in this House about the acceptability of its outcome. Meanwhile, the reality is that we are not much divided, so let us unite behind a policy which is designed to get that dialogue going.

8.21 pm

Mr. Peter Pike (Burnley): I welcome the opportunity to speak in this important debate as I, together with my hon. Friend the Member for Bury, North (Mr. Burt) and my hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes), have recently returned from South Africa. My speech is slightly different from what it would have been if I had not visited South Africa. I have been a member of Anti-Apartheid for 26 years and the only reason why I visited South Africa was because we were invited as three Christian Members of Parliament, and were sponsored by Christians in this country and in South Africa. The arrangements for us were made by Anthony Cordle, who is following this debate closely, and who co-ordinated our Christian contacts in this country and in South Africa.

We had a busy time in South Africa at 39 meetings. We met well over 90 people in formal settings and many people in informal settings. Obviously, our visit to Crossroads, Soweto and Alexandra in Johannesburg had a drastic impact on us. While one may be aware of the position in South Africa from newspaper and television reports, one cannot judge it until one sees it at first hand.

The basis of our visit enabled us to meet people and speak frankly and openly with them, something that would not otherwise have been possible. We met people across the political spectrum of South Africa—from the extreme white Right-wing Members of the Herstigte Nasionale party and Conservative party to the younger Left-wing black extremists in Soweto. It was interesting to meet them and to discuss matters with them.

It is important that the House recognises the importance of the Church in South Africa. Seventy-eight per cent. of the population profess and practise a Christian faith, as is evidenced by church attendances and the way in which people lead their lives. It became clear that whatever legislative decisions are taken by the South African Parliament—they are important and essential—

[Mr. Peter Pike]

apartheid will not be ended by a parliamentary decision. Only a change in people's hearts and minds will finally resolve the policy of apartheid.

At times when we spoke to members of the HNP and Conservative party I was tempted to wonder why we were wasting our time speaking to people with extreme views who not only believe that no further concessions should be made, but that far too many concessions have already been made. I am in no doubt that we were right to speak to them because it put the issues and difficulties into perspective.

Whether we like it or not, we must accept that, under the tricameral system, the white Parliament has supremacy over the other two Chambers and can take the final decision. The white Parliament and State President Botha have the power. I have grave doubts about whether President Botha genuinely wants to make changes. One of our hosts, who knows the President well, said that 20 years ago President Botha would have been the person least likely to want to make changes. He now believes that President Botha genuinely wishes to make changes but is trapped by the Right-wing extremists in his party. He believes that President Botha needs support and encouragement to make the type of changes that he wishes to make. I do not know whether that is correct.

I listened to the television coverage of Pik Botha's comments at the Pietersburg meeting at the weekend. He is said to be a potential leader of the National party and a more liberal member of that party. I do not know how to judge him from those comments and I wonder how much pressure he was under to make that type of speech.

The clear message from all sections of the community was the urgency of resolving the matter, as there was not much time to resolve it without major bloodshed. We all wish to avoid that. If we fail to negotiate a settlement peacefully the white extremist Afrikaner Weerstandsbeweging will grow in strength and there will be a further white backlash.

If the South African Government do not recognise the African National Congress and release Nelson Mandela, in a few years' time they may not have to deal with the ANC and certainly not with the ANC as it is at present. More people want to take more extreme measures to achieve their desired solution. Can one blame them when for 40 years they have tried to negotiate an end to apartheid around a table? How would we feel if we were blacks in that position? Without the power to vote and elect representatives, they have few options.

There is a narrow borderline between the French Resistance movement in France during the second world war, who are celebrated as heroes, and the ANC, whose violence is condemned without question. I am totally opposed to violence and hope that we can achieve a settlement in a negotiated and sensible way. One must remember that that country has been occupied by colonial powers for many years. I do not dispute that the colonial powers developed the country but the country is occupied —[HON. MEMBERS: "No."] Hon. Members may say no, but the people have a right to speak.

I believe there is time to negotiate a settlement to achieve a solution but that opportunity must be seized before it is too late; otherwise the non-violent option will cease to exist. I believe that the majority of ordinary white people in South Africa share that view and the blacks and coloureds also believe that there should be a negotiated settlement rather than a bloody settlement.

Within the next few months there will be a key conference of the National party followed by a special session of the South African Parliament. Those opportunities should be positively seized if the right solution is to be achieved. It is absolutely essential that we should end the Act which requires people to be classified and registered by their race. That Act is fundamental to the apartheid system and once it is ended it will remove a fundamental plank of apartheid. It is also essential to abolish the Group Areas Act.

There must be positive change. Many people have argued that some of the changes that have already taken place are not positive and genuine. Although, in theory, a black can now marry a white the question arises where that couple may live because they are restricted as to the areas in which they can reside.

It is no good saying that apartheid has ended on the trains and that there are two mixed carriages on trains when there are still three white carriages at the front. The positive changes are essential because time is fast running out for South Africa. The Dutch Reform Church has its synod within the next few months and it must take a decision to end apartheid within its Church.

If the opportunities are seized a peaceful solution is possible. I hope that that is the case because that is what this House wants, as do the blacks, whites, coloureds and Indians in South Africa.

8.31 pm

Mr. John Carlisle (Luton, North): Time does not allow me to comment on the speech of the hon. Member for Burnley (Mr. Pike) or to refute fully the allegations made by the hon. Member for Rhondda (Mr. Rogers). The disgraceful attack made by the hon. Member for Rhondda upon Lord Chalfont and myself will be remembered by the House. He devalued his own argument, if indeed it had any value. His speech was a disgrace to his party, to himself and certainly to the good name of the House.

Apart from that speech and the belligerent attitude of the right hon. Member for Leeds, East (Mr. Healey)—his speech was characteristic, if not, as per usual, ignorant —the debate has been sensible with rational argument from both sides. It is clear that there is an absolute determination on the Labour Benches that revenge should be sought on P. W. Botha and his Government on the basis of sanctions and any measures which can be imposed upon South Africa.

It is appalling that those in South Africa who are now desperately seeking some form of reform are to be visited with the sins of their fathers. There are people in South Africa of all colours and races who genuinely want to see peaceful change. On the whole, this debate has been a useful contribution towards that change. If Opposition Members continue to wear their consciences on their sleeves and to try to parade various untruths, the argument is lost.

In the short time available to me, I wish to explode one or two myths which have been advanced both inside and outside the House. The first and obvious myth—it was put forward by Opposition Members — is that the African National Congress represents all black opinion in South Africa. That is blatantly untrue and the figures

prove it. It is not representative of all the blacks, although it is representative of a section, be it a minority. It is apt at catching media coverage, and one cannot deny that.

The ANC is the perpetrator of many of the murders which have been committed in South Africa in the past few months. It is the perpetrator of the intimidation which has occurred. That was obvious yesterday in Soweto when it kept people from work. It is the perpetrator of the horrific necklace murders supported by Winnie Mandela. It is the perpetrator of the bombings in black and white areas, and the perpetrator of the campaign to undermine the South African Government and those who are moving towards some form of change.

I am pleased to see that my hon. Friend the Minister is here, but I must disagree with her assertion in the House the other day that she was worried that the ANC would fall into Communist hands. The ANC has always been in Communist hands.

Mr. Caborn: Where is the evidence?

Mr. Carlisle: The South African Communist party has always had members in the ANC, and I believe that their influence has grown. The greatest threat that faces South Africa is the onslaught of Communism and the fact that it has given some respectability to the ANC. The Government have no business to be talking with the ANC unless it totally refutes the violence which it has perpetrated.

The South African Government are right to assert that, if Nelson Mandela is to be released—I hope that that will happen in the short run—it must be on the basis that he and the ANC renounce all violence and the policy of violence.

The other common myth is that, because the Eminent Persons Group report has failed, there will be bloodshed. The report said that. I share the view of my hon. Friend the Member for Wantage (Mr. Jackson) that the tragedy of the situation is that many of us held out great hope of the report. We believe that there was a genuine dialogue between the members of the Eminent Persons Group and members of the South African Government. The fact that that dialogue has broken down and that the group has produced a one-sided report must be regretted. Many of us on this side of the House, knowing the nature of the Commonwealth secretariat in London and its continued opposition to anything to do with South Africa, will not be surprised that that type of report has been produced.

One must criticise the report because of its lack of evidence. I do not deny that many people were seen, but unfortunately many people were missed out. There is virtually no account or condemnation of the black versus black violence which has now taken over from the violence which previously occurred. I totally condemn the violence which has been perpetrated by some people in South Africa.

There is scant regard in the report for the position of Chief Buthelezi and the 7 million Zulus whom he represents. The report states that there are virtually no reforms in South Africa, but that is nonsense. Many substantial reforms have taken place. Although the reforms may appear to be inadequate to us, we must acknowledge that the situation in South Africa has changed and we should encourage the South African Government to make further changes.

The report has gone wrong and appears to be a failure when one considers its various recommendations. The first recommendation is that the South African Government should terminate the state of emergency. I agree with my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery) that if that were to be done and the security forces were withdrawn there would be terrible bloodshed within the townships. That would not only make them no-go areas: they would be under the total control of the violent section of the ANC. The report declares:

"the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of that intent."

The South Africans are on the road and still have some way to go. The report also recommends establishing

"political freedom and specifically lift the existing ban on the African National Congress and other political parties."

The South African Government would be quite willing to lift that ban if only the ANC would abandon its violent policies.

Perhaps the greatest myth which has been espoused by Opposition Members and, to some extent, by some of my right hon. and hon. Friends is that sanctions would help. The report almost argues that, if there were sanctions, the violence would cease immediately. That is nonsense. Everybody admits that sanctions would mean more unemployment. I am rather amused by Opposition Members, who blamed the recent inner-city riots in Britain on unemployment and bad conditions, who now advocate measures against the South Africans which would have exactly the same effect. How can they believe that there will be change against a background of violence and unemployment?

Sanctions would stifle the aspirations of the black middle class, much of which has been encouraged by British companies. The tragedy is that the Opposition's criticism of British companies is quite unfounded. Some of our great companies such as BP and Barclays bank have done an enormous amount of good in South Africa. They have lifted black employees into much better conditions than they would otherwise have enjoyed.

I intend to support the Government on the basis that the effective measures of which the amendment speaks can be positive rather than negative. The Government should be encouraging British companies to invest more in South Africa to help the blacks in their employment and social problems and to raise their wages.

I must tell my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary that, if they take one step towards the escalation of sanctions, they will alienate a large section of the Conservative party inside and outside the House. We are very encouraged so far by the unique stance that my right hon. Friend the Prime Minister has taken. She is held in respect throughout the world and many look to her for a solution of the problem. There should be no more punitive measures. Rather there should be encouragement, dialogue and participation.

8.42 pm

Mr. Tony Banks (Newham, North): It is always a distasteful task to speak after the hon. Member for Luton, North (Mr. Carlisle) when he is acting out his role in the House as an apologist for apartheid and racism. I should like to remind him of something that he wrote in a pamphlet entitled, "South Africa and the West:"

"The myth that the Republic is a police state and the non-whites an oppressed race should have been buried long ago."

So should the views of the hon. Member. They are not fit to be heard in the House.

[Mr. Tony Banks]

The Government's attitude to South Africa and apartheid is one of breathtaking hypocrisy. The Eminent Persons Group, of which we have heard so much today, was originally a device designed by the Prime Minister to try to delay taking any action. She expected it to come back saying, "Do nothing," or, "Do very little." She certainly did not expect it to come back saying that economic sanctions should be imposed. We had evidence to suggest that from the hon. Member for Luton, North, who clearly expected the group to come back with just such a judgment.

Lord Barber is alleged to have said that he would not have become a member of the Eminent Persons Group if he had known at the outset that it would recommend sanctions. In my opinion, it is clear that he was colluding with the Prime Minister in thinking that the group would be a means of delaying definitive action.

We have heard today from the Government the ritual denunciation of apartheid, but they revealed themselves to be steadfastly opposed to any effective measures to end it. The Government are apartheid's greatest friend outside South Africa. They are as much a mainstay of apartheid as the whips and guns of Botha's police. Whatever twisted justification the Prime Minister can now devise to prevent effective sanctions, the world knows the truth — when it comes to South Africa, the present British Government are unprincipled, hypocritical and racist. They will take no effective action against South Africa because of the profits that British companies are making out of apartheid. That applies especially in regard to the profits being made by their Tory friends in the City. Why can the Government not be honest and admit that? They would not get any credit from the Opposition for saying so, but at least we would be able to understand their honesty.

This is a moral issue, not a narrow economic one, although there is an economic perspective. Britain's long-term economic interest also demands effective sanctions now. If South Africa eventually goes up in flames, all British investments now in South Africa will be lost. It will be pointless for a future British Government to go to the new majority black Government and ask, "Please can we have compensation for all the British interests that we lost in the civil war which followed our failure to do anything to prevent it?" We will not be able to do that—we will just be laughed at.

I should like to pick up three arguments which I have heard Conservative Members advance — I have sat through the whole debate. It is argued that what happens in South Africa is not our business and that anyway, we do not impose sanctions on the Soviet Union. My right hon. Friend the Member for Leeds, East (Mr. Healey) dealt with that argument at the beginning when he said that we must be involved if South Africa is involved with attacks on Commonwealth states.

Mr. Fairbairn: So is Russia.

Mr. Banks: So is Russia, but Britain owns half of all foreign investment in South Africa. I was not aware of our owning a large slice of foreign investment in the Soviet Union. That makes a difference. Britain's direct investments in South Africa are worth about £3 billion. I heard the Foreign Secretary say that South Africa is part of the free world. That also should make what happens there our responsibility. I do not accept, however, that South Africa is part of the free world. The hon. and learned Member for Perth and Kinross (Mr. Fairbairn) should try to tell that to the 24 million blacks who are denied the right to vote or organise. Living in the free world is a pretty sick joke for them.

We also hear that sanctions will seriously damage the interests of blacks in South Africa and the front-line states. That concern comes ill from Conservative Members. They have never before shown any interest in the blacks in South Africa. Where have they suddenly discovered it now? I prefer to listen to the genuine representatives of black South Africans such as the ANC and representatives of front-line states such as Kaunda and Nyerere. I should also like to know what damages the interests of blacks most, sanctions or apartheid. It is not surprising that, although they know that they will suffer from sanctions, many blacks and their representatives are prepared to say that they want sanctions now because the evils of apartheid are so much worse.

The third argument is that South Africa has made some progress in dismantling apartheid and that, if we impose sanctions, we will imperil that progress. Whatever miserable concessions have been made have been made only because of domestic unrest and external pressure. The people who tell us now not to impose sanctions are the very people who resisted earlier pressure, even the Gleneagles agreement on sporting sanctions.

The truth is that Botha and his Government understand only force. They are terrified of that force and look to the Tory Government to protect them from it. In his speech, the Foreign Secretary made no positive suggestions. He referred only to the need to negotiate. I believe that he deceives himself, and that he deceives himself willingly. President Botha will not negotiate apartheid out of existence. He has said as much, and the Eminent Persons Group verifies it. He will concede only when he is faced by force.

The Government's amendment to the Opposition motion calls for an end to violence on all sides. Apartheid is institutionalised violence. The black majority is denied a part in the political process of South Africa, it is denied the right to form its own organisations, and it is not allowed to vote. We know that Botha will not negotiate, so what is the black majority to do? Is it to sit and wait for the Conservative Government to introduce a few mild sanctions that will not work and that are designed not to work? What options does the black majority have, other than armed resistance?

The fuse in South Africa has almost burned down. Total economic and political sanctions might—but only just—bring about fundamental change. I feel that South Africa is now firmly set on a course for civil war. The cause of the coming bloodbath relates entirely to the brutal system of apartheid. That system has been supported for years by the British and American Governments. We have surrendered any moral influence that once we might have been able to exercise. We are now effectively isolated from the rest of the world. We are in the laager, with the racists of South Africa, and it will remain an eternal stain on the reputation of our country.

8.51 pm

Mr. Nicholas Fairbairn (Perth and Kinross): I shall not attempt to follow either the tone or the manner of the hon. Member for Newham, North-West (Mr. Banks). In the

few minutes that are available to me, I want to make what I hope will be a civilised contribution to a very complicated problem.

In case any hon. Member does not understand the frightfulness of apartheid, let me remind him that it was thought up by the British in order to try to give to the Dutch whites a share in the wealth of South Africa. It is equivalent to me, as a Scottish Member of Parliament, coming to London and being forced to live on the Broadwater Farm estate. That is an absurd and offensive concept, but it is illustrative of the idiocy and frightfulness of apartheid.

When I was in South Africa in October, I said to the South African Government that apartheid cannot be dismantled letter by letter. One cannot take off the "a" and make it "partheid". One cannot take off the "p" and make it "artheid". Apartheid must go, and it must go at once. That is a fundamental concept, whose difficulties I comprehend. Nevertheless, its removal is an essential condition for progress in South Africa. Apartheid must go. It must not go with reluctance. It must be given away — destroyed — with celebration. I tried to leave that message with the South African Government, and I believe that that message should go forth from this House.

However, compared with the last time that I was in South Africa, which was about 18 months previously, I found that there had been a fundamental and huge change. Everybody I met — Indians, blacks, Chief Buthelezi's family, with the exception of a few freaks among the whites and a few freaks among the members of the African National Congress — agreed that we must strike at apartheid and its legislation and work for a constitutional form of government, which will not be and which cannot be the Westminster form of government but which must accommodate what we are all trying to preserve: the prosperity that could be the prosperity of any other African country that had had the benefit of European genius for 300 years. Mozambique could have it and Angola could have it; so could Zambia and Malawi. We must try to preserve South African prosperity for the African so that he can share in it. That prosperity must not be destroyed because of a fictional desire to create what are called democratic rights. That is only the right to share in poverty.

The danger in South Africa is that the whites look to the states to the north for their lesson. They say, "Look at what has happened in Zimbabwe, Zambia, Malawi and Mozambique." They are entitled to look with fear at what has happened in those countries. But the blacks do not say to themselves, "Ah, yes, we have better education and better hospitals in Soweto than they have in Malawi or Zambia." They look to the white areas of South Africa and make different comparisons.

Let us remember that there is apartheid in Russia against the Jews, that there is apartheid in the middle east against the Palestinians and that there is apartheid in Zambia against those who are not party members, as there is in Poland and in a dozen other countries. When we say that we are against apartheid and that we are for human equality, let us remember that although apartheid is a word that emanated, thanks to the British, in South Africa, it is not a word that applies only to South Africa and that the concept of apartheid is practised in many other countries.

What do we want to achieve in South Africa? Do we want South Africa to have a Government similar to that in Zimbabwe? There is active, tribal persecution in Matabeleland. Do we want to let loose the terrible conflicts of religion and race that South Africa prospectively is undergoing? I watched the funerals of some of those who were the victims of necklace killings. I saw the fear. Is that what we want to let loose?

Let us not imagine that this is a simple problem. South Africa is not a colonial territory. The blacks, as they are condescendingly called in South Africa, did not live there before the Europeans came. When the Europeans arrived, the Hottentots were there. The Europeans removed the Hottentots. South Africa has a problem that is even bigger than apartheid. It is migration. Blacks are consistently migrating from Mozambique, Malawi, Zambia, Zimbabwe and Angola in order to participate in the wealth that is created by the Europeans.

There is no point in us saying, "Should they not equally share in it?" if we are not willing to think of an intelligent change that will enable the wealth-creating system to continue? There is no point in ruling over a society in which only those who happen to be in power have any wealth, as in Zambia. Let us not be so aesthetic as to say, "Forget these Zambians, Malawians and Mozambicans and sacrifice them all for sanctions." What I noticed most in my recent visit was the vast change by those who are Afrikaans-speaking and previously immoderate to a path of moderation and acceptability. We must not alienate them.

We could do one thing. Knowing that the Afrikaners have "tendencies of contrasuggestibility", and that they have many weapons that they could use not only against us but against the world and their neighbours, we could adopt the policy of what I call "positive sanctions". We could offer a Marshall plan for Southern Africa, to the constellation of states around South Africa, from which it will be excluded until the weight of moderate opinion has been able to use its force in South Africa. The weight of moderate opinion in South Africa is now overwhelming, but if it is driven away from that moderation, to which it has only so recently come, we shall have created the reverse of our intention.

Therefore, I hope that the industrial countries will create what southern Africa could be — a place where dignity, prosperity, the inheritance of the European tradition, the Christian Church, the African characteristic and the Indian contribution shall thrive and survive with all the area's great benefits and natural resources. However, South Africa will be cut out of that for ever if it does not, now and forever, strike out the obscenity of apartheid.

9.1 pm

Mr. Cyril D. Townsend (Bexleyheath): Talking to an hon. Friend a few weeks ago at 9 o'clock, I forecast that the Shops Bill would sail through and that we would not be so stupid as to allow the Americans to use our bases to bomb Libya. Any hon. Members who doubts my forecasts on South Africa is in an understandable position.

Although the media give the impression that apartheid is about to disappear and that the Government of President Botha is about to be struck off the map, I would say, to the contrary, that they have great strength. Small boys throwing rocks against Casspir armoured cars will not bring down the Government. The army has hardly been used to any effect. When the Botha Government do collapse, there is every chance that they will be replaced

[Mr. Cyril D. Townsend]

not by a nice moderate black Government but by a nasty immoderate white Fascist Government, who will use the police and the well-equipped army with far greater vigour than President Botha has. We should brace ourselves not for a clear-cut reform in that great country but for seeing another Lebanon in the south of Africa, and the country disintegrating into a conflict of black against black and white against white, with much further bitterness and bloodshed.

In 1977 I spoke in favour of sanctions against Idi Amin's regime in Uganda. That tyrant might have come straight from the pages of Gibbon's "Decline and Fall of the Roman Empire", as he was responsible for the deaths of 100,000 people. In his prisons, a prisoner was told to smash the skull of the man in front of him and then the same thing happened to him. Rightly, the Labour Government of the day did not back sanctions against Idi Amin's Uganda, on the grounds that if one knocks down a regime one does not know who or what will replace that regime. Secondly, there must be some respect for the principle of sovereignty, which is a strong principle in the United Nations.

On 25 May 1979, I had an Adjournment debate on trade with South Africa. It was noticeable that the Minister replying had been given a draft speech, I suspect prepared for a Labour Minister, as he was ad libbing and changing as he went along. The comments that I made in that debate are still valid. If one is backing full-blooded economic sanctions, one must consider military means to enforce those sanctions. If South Africa runs short of a crucial ingredient, perhaps oil, it will be prepared to use its navy to run the gauntlet. Who will supply that gauntlet? Will it be the Soviet Union, the United States or the Royal Navy?

I remember the words of Lord Salisbury when he was Prime Minister, about not hanging around the carcases of dead policies. Times have changed. We must move on and face reality. I beg the Government to notice the new mood in this country, and the Commonwealth, and to notice the events that have taken place in South Africa since I was there a year ago.

I am convinced that our friends in the Commonwealth do not expect us to throw away our principles. They do not suggest that we should destroy our economy. They are saying to us—I believe that they are entitled to do so—"Your country has a unique historic responsibility for South Africa. Your country is in a position to give a lead. We trust that you will do so."

I thought that the setting up of the Eminent Persons Group was a most remarkable event. I cannot think of a similar mission, representing as it did some 49 Commonwealth countries which in turn represent over a billion people.

We are told by the South African Government that the three raids into the three Commonwealth countries were coincidental. If one considers the military effectiveness of those raids, how can one believe that? Surely we must draw the conclusion that those three raids were launched for the purpose of destroying the Eminent Persons Group.

I believe that the Government are right in seeking to move from their previous position and policies on full-blooded economic sanctions. They are right to look for ways of bringing pressure on the South African Government. I would be the first to admit that the state President has made important moves, but I doubt whether he has been fully supported by all Members of his Cabinet, let alone the white community in South Africa.

It is appropriate for us to re-examine our policy. I conclude by saying—I hope that the Foreign Secretary, who has just entered the Chamber, will consider my remarks—that Britain's role is not to frustrate, thwart and deny the mood in the international community. Rather, it is to participate and co-operate and to make a strong British contribution inside an international framework for action.

9.8 pm

Mr. Donald Anderson (Swansea, East): This historic and remarkable debate is timely because it takes place at the time of the 10th anniversary of Soweto when hundreds of Africans were shot. The debate has matched the seriousness of the occasion. The matter is of considerable importance for us in the West. That importance was underlined at the beginning of this month by United State's Secretary of State George Shultz, who said:

"South Africa imposes an intolerable moral, strategic, economic and political burden on Western interests."

How much greater a burden does it impose on the black Africans in the front line who have been humiliated and repressed, especially over recent days, in the new detentions, the new gagging of newspapers, and so on? That repression was graphically described in the first 39 paragraphs of the report of the Emminent Persons Group. I witnessed that humiliation and repression when I stayed in Soweto and saw the institutionalised evil that is aparthied.

How should we in the West, especially in Britain, react to such a minority Government who claim to base their system on the same values as ours? In particular, how should we in Britain respond to the call by the Eminent Persons Group for concerted action, which may offer, in its view, the last opportunity to avert what could be the worst bloodbath since the second world war? How can we influence attitudes and bring effective pressure to bear on South Africa? I was immensely impressed, as, I am sure, were all hon. Members, by the spiritual dimension which was raised by my hon. Friend the Member for Burnley (Mr. Pike) and the hon. Members for Bury, North (Mr. Burt) and for Southwark and Bermondsey (Mr. Hughes) following their visits to South Africa.

On some matters, of course, the Government and the Opposition agree. We agree that South Africa is in crisis, that the pace of change has increased, and that there is not likely to be the lull which occurred after Sharpeville in 1960 and after Soweto in 1976. A new dynamic is now endemic and is developing in South Africa which the most reasonable men may not be able to stop. At one stage, it appeared that the Eminent Persons Group had provided a "god out of a machine" — some form of external mediation which might have prevented the ultimate tragedy. There may still be some hope, as the Foreign Secretary said, but it was probably blasted by the raids on 19 May on the front-line states. As the Foreign Secretary will surely acknowledge, those raids must have been planned by the South African authorities some time in advance. They must have been made in the sure knowledge that they would torpedo those talks at a sensitive stage. The intention must have been to do precisely that. That was the clear message.

We acknowledge that the current period is one of intense anxiety for all in South Africa, whatever their colour, and that there have been substantial changes in the Afrikaner Volk. Some of that overweening self-confidence has gone. Hon. Members may point out the increasing moderation that they see, but I point out the new extreme ultra-grouping, the AWB, to which President Botha clearly reacted in his raids on the front-line states.

When we read Security Council resolution 560 of March last year and the Nassau communiqué, both agreed by the Government, we acknowledge that the Government go at least part of the way with our analysis of the situation. The Government and the Opposition recognise that there is a substantial British stake in South Africa — in financial, commercial and human terms — but we draw different conclusions. The Government argue that that immense stake should make us more cautious in our response to the South African tragedy. On the contrary, we conclude that the stake that we in Britain undoubtedly have imposes an even greater responsibility on us because of our unique position. We have that position by being members of all the relevant alliances. We are members of the EEC and assume the Presidency on 1 July. We are members of the Commonwealth, we have close links with the United States and Japan in the Group of Seven, and we are a permanent member of the Security Council. We are uniquely well placed to play a positive role, if we are prepared to play such a role.

The Opposition begin to differ from the Government in the assessment of the capacity of the South African Government to adapt and as to whether they have the capacity to take the giant steps necessary to reach an accommodation with their own majority. The Government are tempted to trumpet every change, however cosmetic, as something of seismic proportions. However, 26 years after the Sharpeville massacre, and 10 years after the Soweto uprising, the black majority in South Africa is still totally excluded from the national political process. The British Government still appear to cling to the view that President Botha is not intransigent and that the system is capable of being reformed without outside pressure, as if the business interests and those building bridges within South Africa can persuade President Botha to negotiate with his majority and take those necessary giant steps. The Government still cling to the doctrine of constructive engagement.

We are interested not in the reform of apartheid but in its abolition. Constructive engagement should be not just with the white minority but with the black majority. As an indication to the Government on the bona fides of the Botha Government, we point out that nine years after Security Council resolution 435 on Namibia, in spite of all the promises made by the South African Government, Namibia still seems as far from independence as it was in 1978. We point to the mala fides of the Nkomati accord, the clear breaches by South Africa and the attacks on and continued destabilisation of the front-line states — conservatively estimated to have cost the front-line states £10 billion since the formation of the South African Development Co-ordination Conference in 1980.

The Eminent Persons Group concluded that the South African Government are not yet prepared to negotiate fundamental change. The report is a damning indictment. Do the Government concur with that indictment and, if so, what are they prepared to do about it?

The Government's faulty analysis of South African willingness to change has led to mistakes and to their own isolation over the past two years. We should examine some of the milestones in Government policy over that period. Two years ago, in June 1984, the Prime Minister welcomed President Botha to Chequers on the eve of the establishment of the tricameral legislature, that apartheid cul de sac into which South Africa then moved. In September last year at Luxembourg the Government entered "a reservation" at a time when the EEC was agreeing a weak package of measures. The right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind) had the humiliation of rushing back to this country saying that he could not agree even to the withdrawal of military attachés from South Africa because, he claimed, they gave us some forewarning of possible South African manoeuvres against the front-line states. We did not withdraw our military attachés until the end of the year. We still have South African military attachés in London.

At Nassau, in October last, we agreed on a strict and rigorously controlled embargo on the import of arms, ammunition, military and paramilitary equipment from South Africa and on an embargo on all military co-operation with South Africa, yet last Saturday's edition of *The Guardian* contained clear evidence that our own Department of Trade and Industry allows a large South African defence electronics corporation to license a company in the United Kingdom as a front for its own military products. I refer to Grinaker Electronics. Does the Minister seriously suggest that that decision by the Department of Trade and Industry is in accordance with the letter and spirit of the Government agreement at Nassau or with the EEC?

We were, of course, isolated at Nassau. The Prime Minister insulted the Commonwealth thereafter by talking about the "teeny weeny" measures that she had agreed. Subsequently, we prevented the colony of Bermuda from imposing its own sanctions.

We agreed at Nassau to impose a ban on the import of krugerrands. That was in October 1985. But we did not then impose that ban on krugerrands. Tardily and reluctantly, we were dragged into that, but we did not impose the ban until May 1986, after pressure, and after the attack on the front line states on 19 May.

At the Tokyo summit, the world leaders vetoed a move by the Prime Minister to voice concern for the safety of South Africa whites. The majority of blacks identify with the ANC, yet the Government are still not prepared to meet it at ministerial level. Thus, the meeting with President Botha, the Commonwealth Nassau summit, the Tokyo summit and relations with the EEC all represent negative signals. The Government are sending those signals out to the world and thus clearly showing their attitude towards change in South Africa.

Mr. John Carlisle *rose*——

Mr. Anderson: Throughout those two years, the Government have consistently given the wrong signals, and identified with the white minority Government. It is hardly surprising that the hon. Member for Luton, North (Mr. Carlisle), as he stated tonight, should find the Prime Minister's attitude "encouraging".

Even if the Government criticise South Africa, the South African Government know that they can still ultimately always depend on a British veto at the Security

[Mr. Anderson]

Council. The Government's massive failure has been that they have not grasped the scale of the human tragedy in South Africa or the urgency of the situation. As several hon. Members have said, and in particular the hon. Member for Orpington (Mr. Stanbrook), it is not just a question of apartheid. After all, apartheid is just a means by which the elite can impose its power and privileges on the majority. Some months ago, at one of his party conferences, President Botha quoted with approval what President Kruger said in 1898 to the Uitlanders. He said:

"You do not want the vote. You want my country."

That is the signal that President Botha gave to his party faithful, and it shows the measure of the willingness of the South African Government to compromise and negotiate.

Any changes are designed to retain power in safe, civilised white hands, whether they involve a confederal solution redrawing of boundaries or toy with solutions based on ethnicity. Throughout, the purpose is to retain power and privileges in the hands of that elite.

Mr. Hunter *rose*——

Mr. Anderson: Time is indeed running out. We ignore the inexorable dynamic of developments at our peril. When we talk about the importance of our investments, have we seriously considered what value those investments will be if there is a bloodbath? Already, as a result of the private sanctions that have been so effective since last August, the value of the commercial rand has fallen to less than $0·40. As the Minister of State will probably know, today's definition of a patriotic South African is someone who is unable to sell his house. The EPG concluded that all the changes had left the structure of apartheid intact and that the absence of concerted external pressures would only defer change.

How shall we respond? I concede that sanctions as such are a form of negative pressure. They have to be coupled with positive pressures such as those that were included in the EEC statement at Luxembourg on 9 September last.

What will be the response of the Prime Minister? Has it not been this: "How little can I get away with in response to world pressure? How can I continue to put a brake on Commonwealth and EEC pressures? How can I play for time? Let us delay a decision in the hope that the problem will go away so that we can have business as usual with the apartheid regime. Since the Palace has become tiresome, let us see if we can do something teeny weeny to placate it."?

The Foreign Secretary gives the impression of seeking a reasonable solution and of wanting a civilised chat about the future of South Africa, as if he were in an Oxford common room with congenial colleagues, while the flames are licking around the windows and while the Prime Minister, like a latter-day Canuta, stands vainly against the tide, and that for an inglorious cause.

That response is not good enough. We have to show that we are against apartheid not just in word but for real. We should be interested to find out what objection the Government have to our motion, as we have no particular objection to their motion. They claim that they are against ecomomic measures. What is the ban on krugerrands that was agreed at the Commonwealth summit if not an economic measure? We believe that sanctions or measures —call them what we will—are supported by the blacks. We refer the Government to the surveys that were reported in yesterday's *Financial Times*. We know that sanctions or measures are supported by the majority of people in South Africa and in the front-line states.

Mr. Nicholas Winterton: What about Buthelezi?

Mr. Anderson: I exclude Chief Buthelezi from that majority. He appears to be the only black who finds favour on the Conservative Benches.

Sanctions on their own will not bring the walls of Pretoria down. They can only reinforce and interact with the internal pressures that are by far the most important. Those pressures come from COSATU — the trade union movement—the UDF and all those forces within South Africa that are seeking fundamental change and that rely on us from the outside to assist them in their cause.

We accept the importance of the private sanctions which have already had such an effect on South Africa. The purpose is not to punish; it is to bring pressure to bear on the minority to seek an accommodation with its majority, and to have a dialogue with the majority. Our task is not to prescribe an agenda or to set out the constitution of a new South Africa. Our job is to give assistance to the progressive forces in South Africa and to force the South African Government to talk to their majority and not to exclude them, as they do at present, completely from the national political process.

The British Government should begin by picking up the package that was left on the shelf at Nassau when they persuaded their colleagues in their isolation to go forward with the Eminent Persons Group, which has now failed. The spotlight is again on our Government. They may not respond, but I remind them and the South African Government that there will be a general election in this country within the next two years, and there is a more than reasonable chance of a change of Government.

The Labour party is pledged to isolate South Africa until it changes its policy and to promote effective external pressure. Under a Labour Government, South Africa will not longer be protected by the British Government in the United Nations Security Council and elsewhere. The South African Government and their friends should be left in no doubt that there will be a fundamental change of attitude under a Labour Government. We will not be a brake on developments within the EEC and the Commonwealth. Rather we will take the lead and go as far and as fast as our colleagues will go. We will make the embargo on arms and military material complete. We will support the enforcement of United Nations mandatory comprehensive sanctions. We will end economic and military collaboration with South Africa.

In short, the next Labour Government will not make ritual condemnations of South Africa but will be passionately determined to take concerted effective action as recommended in the Eminent Persons Group report. The next Labour Government will, by word and action, identify themselves with the South Africa of the future.

9.33 pm

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): The hon. Member for Swansea, East, (Mr. Anderson) was right to say that the debate was taking place at a historic time. There cannot be a more tragic time in the affairs of southern Africa.

Tonight's debate has forcibly underlined — more forcibly than ever before—the utter repugnance felt by

this House and by the nation towards the system of apartheid and our deep concern at its consequences. Many right hon. and hon. Menmbers have shown real understanding of the details of the complicated problem. We have heard thoughtful speech after thoughtful speech tonight and I would like to mention especially the hon. Members who were sponsored by the Churches to visit South Africa recently.

In the debate, hon. Members have referred several times to similarities between the Government's amendment and the Opposition motion. There is a difference. The aim of both sides is to bring an end to apartheid. In that we do not differ, but the difference is that the means to achieve that objective vary. That is what we are discussing tonight.

As the right hon. Member for Clydesdale (Dame J. Hart) said, we believe that the measures taken must be effective. They may not be limited to economic measures alone. There is no point in simply penalising South Africa. We need real results, which will bring an end to apartheid. We are pressing for the change through genuine dialogue, to be conducted in an atmosphere that is free from violence on both sides. Violence will not solve the problem.

In saying that we totally reject apartheid, we condemn utterly the sheer waste of a system that attempts to keep power and privilege in the hands of the few at the expense of the majority. We condemn, too, the waste of human resources and endeavour. It is particularly tragic that that should have happened in a part of the world that is so well endowed with resources. South Africa is a country that could offer all its people, regardless of colour or creed, a good life and make an enormous contribution to the economic health of the whole region.

Mr. Amery: Will my hon. Friend give way?

Mrs. Chalker: I am pressed for time. I hope that my right hon. Friend will forgive me.

We are aware, especially this week, of the legacy of violence and death that apartheid has left to all South Africans.

Mr. Amery *rose*——

Mrs. Chalker: But despite what has happened, there must be further effort. We must not turn our backs on the countless numbers of South Africans, black and white, who continue to work towards the goal of a non-racial, democratic system of government. We must redouble our efforts—

Mr. Amery *rose*——

Mrs. Chalker: —and do whatever we can to ensure that South Africa can be rescued from the brink. I give way to my right hon. Friend.

Mr. Amery: I am grateful to my hon. Friend for giving way. I am sorry to have pressed her. Does she agree that what we reprehend and condemn in apartheid is the existence of laws that discriminate against any section of the population, particularly against the majority section of the population, but if those laws are repealed, it is no part of our war against apartheid to insist on majority rule?

Mrs. Chalker: My right hon. Friend has long experience of South Africa. Of course we reprehend the laws of apartheid, but the actions that go with the laws are what we find repugnant. They discriminate between persons of different coloured skin or those of different creeds, effectively those from different tribes with different beliefs. That is what we in this country, and, I believe, those throughout the free world, are not prepared to see continue. With regard to majority rule, we cannot support a society that does not give a democratic vote to each and every one of its people.

We have not seen much in the news over the past few days because there has been a state of emergency. We were glad when the original state of emergency was lifted in March. Now it has been reimposed. The House knows more than anyone that muzzling the press will never break the spirit of all those seeking to end discrimination, whether it be in South Africa or elsewhere. A state of emergency has never produced a solution, and will not do so now. The unrest in South Africa underlines the urgent need for genuine debate and a suspension of violence on both sides.

Everybody has been impressed by the immense hard work and dedication of the Eminent Persons Group. We may not agree with all that it has written, but I wish to pay a deep tribute to its efforts. I am sure that it fully shares our regret that in the end, despite its incredible efforts, it was unable to bridge the gap between the South African Government and others who want to be involved in the future government of South Africa. In the end, it certainly achieved much more than some thought might be possible at the outset. Its work will help us to find a way in future to obtain a negotiated outcome.

However, I must refute the bitter speech and downright misrepresentations of the hon. Member for Newham, North-West (Mr. Banks), especially in respect of Lord Barber. Lord Barber is an open and fair-minded person. If I may say so, without giving offence in any way, he is almost a second Lord Soames and that is how he will be remembered for his efforts.

The Eminent Persons Group called for concerted and effective Commonwealth action if South Africa is not to slide into even worse violence and bloodshed. We shall not ignore that call, but, as the report recognises, it is for the Heads of Government to decide on the nature of that action, and, clearly, if that action is to be effective it must involve the countries of the European Community and the seven members of the economic summit as well as the Commonwealth.

Let us hope that, although the Eminent Persons Group's work has come to an end for the time being, it will in time help to chart the way to a peaceful settlement in South Africa. That is what we all seek.

The Eminent Persons Group was particularly impressed by Nelson Mandela and what it believed was his commitment to a negotiated settlement. That strengthens our view that his immediate and unconditional release would constitute an important step towards the reconciliation that is most urgently needed. His unconditional release could play a key role in binding the wounds of bitterness and distrust.

The Eminent Persons Group concluded that there could be no settlement in South Africa without the ANC. The ANC is by no means the only voice in South African black opinion but we do not doubt that it has considerable support. We know that members of the ANC have a wide range of views, but they are united in their determination to bring about the elimination of apartheid. We know that there are Communists in the ANC but they are not in a majority and Communism will only thrive on the lack of dialogue and progress towards a non-racial democracy.

[Mrs. Chalker]

We established official contact with the ANC to make clear our total commitment to the search for a peaceful solution in South Africa.

Mr. Barnett *rose*

Mrs. Chalker: Let me finish what I am saying.

That does not lessen our condemnation of violence or terrorism to attain political objectives. Nor does it lessen our attempts to persuade all those involved to cease that violence. Those who resort to the violence of the gun and the bomb, on whichever side they may be, are only delaying the day when a peaceful settlement might be secured. Violence encourages those who hope to profit from a South Africa torn apart by a hideous racial war. It does nothing to solve the problems.

Mr. Barnett: I am most grateful to the hon. Lady for giving way. Many of my hon. Friends will be delighted by what she said about the ANC. I rise only to ask, in view of the clear approval of the hon. Member and the Government of the ANC and the part that it is playing in South Africa, what practical help the Government hope to be able to give to the ANC in the position in which it finds itself?

Mrs. Chalker: The hon. Gentleman is taking what I said a good deal further. In the officials' dialogue with the ANC there has always been a call by the Government for a suspension of violence. In discussing the aspirations of black people in South Africa we listened not only to members of the ANC but to other black groups who have made contact with our officials and, indeed, with Members of Parliament.

Mr. John Carlisle *rose*——

Mrs. Chalker: The most important change has been the change in the role of business. The Eminent Persons Group report recognised the potential of the business community in South Africa for bringing pressure to bear on the Government. We have always firmly believed that the business community is an important element in that irresistible force for change that the economic development of black South Africans represents. Some 13 years ago we pioneered the code of conduct for British firms, and at that time such ideas were extremely unfashionable. We have made it clear to British companies that we expect them to live up to that code which, since 1977, has applied to all European companies. It has been strengthened in important areas by the recognition of trade unions, in education and training, and by community projects. Because we introduced that code, we see more strength being exhibited by the business community to promote change.

I am glad to say that British companies have responded to the code and have set example after example. Most have either recognised independent black trade unions or are willing to do so. Some 92 per cent. have minimum wage levels at or above the level required by the code and many are becoming actively involved in projects to benefit the wider community. No less than £6·5 million was spent by just 10 companies last year on such community projects.

Mr. Frank Field (Birkenhead): The Minister spoke about the development of the code of conduct. The recent report on ethical investment spoke about underpayment by British firms in South Africa. How can the Government expect to be taken seriously when they say they will not impose sanctions because of the economic harm they would cause the blacks in south Africa, when many of the largest recruting sergeants for poverty are British firms who underpay their South African workers? Will the Minister follow up that report and call in those firms that are clearly underpaying and not abiding by the code of conduct?

Mrs. Chalker: I shall certainly look into what the hon. member for Birkenhead (Mr. Field) said, but there is no way in which Governments should interfere in an internal matter. Through the British Industry Committee on South Africa we bring the code of conduct to the notice of all British firms in South Africa. I shall look again at the point raised by the hon. Gentleman.

Mr. Conal Gregory (York): My hon. Friend is strong on diplomacy. I admire that in view of her position. Since the feeling of the House is clearly against apartheid, when will she respond to that opposition with some teeth that will destroy that system?

Mrs. Chalker: My hon. Friend anticipates my speech. I should not have given way to him and that would have enabled me to get to the point much quicker. It is not just that which we are pressing companies to do, because foreign companies can and do exert increasing pressure. I would not wish to bring all that to an end by cutting links and blocking our influence. It is not just business that is involved in promoting change. We, too, are giving special shcolarships to black South Africans and looking for ways in which they can be assisted. As my hon. Friend the member for York is tempting me to say, we already have in action restrictive measures against South Africa. I shall not list them all because we have been through the large number of measures implemented by the Government, and they number far more than any other country on its own has begun to implement.

The hon. Member for Swansea, East asked about *The Guardian* evidence. I think he said it appeared on Saturday. I am aware of the recent suggestions, but we are looking into the allegations in the first report. I have heard nothing to suggest that the Government are in any way in breach of their obligations under the United Nations arms embargo. I shall write to the hon. Gentleman when I have finished the investigation.

Hon. Members have been asking what can be done to end apartheid. Many have made proposals tonight and the right hon. Member for Plymouth, Devonport (Dr. Owen) said that this was a good time to have a debate to collect ideas. Obviously, there are many measures that individual hon. Members would like to see introduced and they will all be studied because it will be through some further action that we shall take with our partners that we shall increase the pressure on the South African Government to end apartheid.

I well understand the suggestions for a ban on air links, on new investment, and on the import of agricultural produce, and I share the feelings that caused hon. Members to make those suggestions. I am in no way seeking to duck the possible help which they may bring, but as the right hon. Member for Clydesdale said, we must examine exactly what the impact would be. What would be the impact on black workers in South Africa and on South Africa's neighbours, such as Zambia, Zimbabwe and Botswana? Most important, would they have an

effective impact on the South African Government? There is no point in introducing measures unless they have a significant effect on the South African Government.

We must not forget that the objectives are to promote dialogue and to suspend all violence. We all agree that that is crucial. There is a necessity to send clear, effective signals, not to make gestures that would do more harm than good. That is why we have said that we must assess the effect of each and every measure, not only on South African people, but on all peoples in southern Africa, particularly in the front-line states.

Mr. John Carlisle: My hon. Friend said that she would consider "further action" in consultation with our Community partners. She owes it to the House and certainly to some Conservative Members to explain a little more fully exactly what she envisages by "further action".

Mrs. Chalker: As my right hon. and learned Friend the Foreign Secretary said in his opening remarks, and as I have said, we shall consider the report of the Eminent Persons Group, the suggestions made in the House and all measures — *[Interruption.]* because if we do not, we cannot be judged to have come to a reasonable conclusion on what it would be best to do, in order to bring an end to apartheid, which even my hon. Friend said he wanted to see.

For all those reasons, the Government are not prepared to make hasty decisions or to comment in detail on all the many ideas put forward. However, we shall consider all the policy options in consultation with our partners in the Commonwealth and the European Community, and with other countries. Our objective must be to find the most effective way to hasten that real change.

The House is united in praying that all South Africans, black and white, will find a way to emerge together and in peace from the present crisis. We must not contemplate any alternative. We must lead all our potential partners in the EC, the Commonwealth and the seven members of the economic summit to an effective solution which will persuade the South African Government — *[Interruption.]*—not to erect further barriers against the people of their country but to break them down. That is what everyone seeks to achieve. That can be done only be ensuring that the methods we adopt will have an effect on the South African Government.

The ideas that have been promulgated tonight lead one to consider how the business community will react. These ideas cannot be implemented by Government alone; they can only be carried through in consultation with the business community. That is why I will not respond as hon. Members are seeking to tempt me.

Violence and civil unrest, wherever they occur, will lead only to further violence and to deeper human misery. In South Africa, the current tragedy is a direct consequence of the evil of apartheid and the repression that is used to enforce it. These are sombre times for the people of South Africa. If apartheid is not rooted out and destroyed we shall achieve no settlement and the catastrophe perceived by the Eminent Persons Group will become a reality.

What we need to do is to persuade the South African Government to take an axe to the main limbs of this poisonous plant and to do it now. Nothing else will do. It is the South African Government who must take that axe to the poisonous plant.

Mr. Dennis Canavan (Falkirk, West): What will the Government do?

Mrs. Chalker: Even the noisy hon. Member below the Gangway on the Opposition side has given no hint, except in his shouts, of what he sees as an end to the matter. Negotiations between all the interested parties on a new non-racial constitution must take place and that cannot wait.

Hon. Members are anxious to know the details. I have already said that the challenge to the international community is to assist that process, but it is a tense and dangerous situation. That is why I have said, and I repeat, that it would be foolhardy to rush into any decision and that is why Her Majesty's Government are looking at all the suggestions that have been made.

Mr. Simon Hughes *rose*—

Mrs. Chalker: We seek the destruction of apartheid. We do not seek the destruction of South Africa and its economy. The emergence of a non-racial democracy needs to be in an economically healthy South Africa which can grow. To destroy everything in South Africa for the simple and, perhaps to some, totally desirable reason, of ending a Government, but then to leave black people in South Africa with nothing on which to build, would be just as much of a tragedy as some of the things we are witnessing today.

If we are to make a real impression, the United Kingdom cannot act alone. This has become clearer and clearer. That is why we are discussing the issues fully with our partners.

Mr. Canavan: Will the Minister give way?

Mrs. Chalker: That is why we must find an effective way of responding to the call for effective action—

Mr. Canavan: Will the Minister give way?

Mr. Speaker: Order. There are three minutes left. The hon. Lady is not giving way and I ask the House to give her a fair hearing.

Mrs. Chalker: Our sole aim is to work for the best interests of the people of South Africa.

Mr. Canavan: Will the Minister give way?

Mrs. Chalker: No, I will not give way, especially not to a Member who has not been in the Chamber for any of the debate.

Our sole aim is to work for the best interests of all the people of South Africa. We have to help them emerge from the present nightmare, free from apartheid and able to take a place in the community of nations. We are not daunted by the enormity of the challenge but we are conscious of the dangers. We cannot, we must not and we will not lose sight of our goal, which is to seek peaceful transition to a system of government in South Africa under which all can live and prosper in freedom and justice.

Mr. Canavan: Absolute hypocrisy.

Mrs. Chalker: I believe it was in the book "Cry, The Beloved Country" that Alan Paton wrote of slavery, fear and freedom. What we have to do is overcome the problem of fear. We have to give all the people in South Africa that freedom. I urge right hon. and hon. Members to support the Prime Minister's amendment.

[Mrs. Chalker]

Question put, That the original words stand part of the Question:—

The House divided: Ayes 206, Noes 331.

Division No. 226] **[10 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
George, Bruce
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hughes, Dr Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Hume, John
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Mallon, Seamus
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Chris Smith and
Mr. Mark Fisher.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fox, Sir Marcus

Franks, Cecil
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(Norfolk, N)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(Hertf'dshire N)*
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Troiter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Carol Mather and
Mr. Robert Boscawen.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House calls upon Her Majesty's Government, in view of the worsening situation in the Republic of South Africa and in the light of the Report of the Commonwealth Eminent Persons Group, to work actively with the Europeen Community, the Commonwealth, and the Economic Summit Seven countries for effective measures which will help achieve a peaceful solution in South Africa based on negotiations and a suspension of violence on all sides.

Medicinal Products

10.15 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I beg to move,

That this House takes note of European Community Documents Nos. 9630/84 and 5752/86, proposals for draft Directives and a Recommendation, and Amendments to the proposals, on the marketing and testing of medicinal products, and of the supplementary explanatory memorandum from the Department of Health and Social Security dated 8th May 1986; endorses the aim of strengthening biotechnology in respect of medicinal products within the Community; and welcomes continued progress towards removing the remaining barriers to trade between member States, whilst fully protecting public health.

These proposals deal with European Community rules for the testing and marketing of medicines. This is a complex and highly technical subject. I cannot avoid detail, but the House will be primarily concerned with the principles underlying the detail. I shall therefore concentrate on the principles.

The marketing of medicines in the Community is governed by Community legislation — directives — adopted between 1965 and 1983. Subject to certain specific exceptions, such as vaccines, which have not yet been brought within the scope of European Community rules, national regulatory authorities are bound to apply the provisions of the pharmaceutical directives when considering an application for marketing authorisation. In addition, a Council recommendation has been adopted containing guidelines for the preparation and consideration of marketing applications covering a number of safety and efficacy aspects. United Kingdom arrangements for applying Community legislation in this field operate under the provisions of the Medicines Acts of 1968 and 1971, and subordinate orders.

Some of the proposals now before the House concern veterinary medicines as well as medicines for human use, and as such are a matter for my right hon. Friend, the Minister of Agriculture, Fisheries and Food, but where this is so, the particulars are similar, and DHSS and MAFF interests are identical. My remarks therefore apply to both where relevant.

My right hon. and learned Friend the Paymaster General and Minister for Employment, when he was Minister for Health, submitted, on 22 January 1985, an explanatory memorandum which described the proposals as they were drafted at that time, and identified a number of issues which required careful study, and possible amendment before they could be accepted. I shall deal with those issues later.

Discussions in Brussels, which are still in progress, produced explanations and some textual amendment. My right hon. Friend the Minister for Health therfore submitted a supplementary explanatory memorandum to the House on 8 May. I shall also expand on this later. Also, the European Commission forwarded, on 5 March 1986, some amendments to its original proposals. These Commission amendments represent reactions to opinions expressed by the European Parliament, and also, in the Commission's own words,

"take account of scientific and technical developments since the initial Commission proposals were submitted".

This batch of Commission amendments was dealt with in my right hon. Friends explanatory memorandum, also dated 8 May 1986.

It will, I think, help the House if I explain that the primary purpose of all European Community regulation in this area is the protection of public health. That is the overriding consideration, but associated with that purpose is a determination not to hinder the development of the pharmaceutical industry, and trade in medicinal products. In the medium term our aim is to harmonise national regulations and standards of assessment, and so on, so as to achieve the free movement of medicines between member states. In any case, we plan to abolish all Community internal barriers to trade by 1992. This state of affairs is intended to apply to medicines by way of the mutual recognition of national marketing authorisations granted by individual countries. I need hardly add, in this context, that when mutual recognition is eventually achieved, there will be no lowering of United Kingdom standards of protection for the public.

I turn now to the subject matter of the proposals. They represent further progress down the path towards mutual recognition. They extend the opportunities and, in some cases, the obligations for national regulatory bodies to discuss issues concerning particular products before individual decisions are taken. Such discussions will assist the development of mutual understanding which is a prerequisite of mutual recognition. They will help also to identify and to deal with differences of view in a positive way, focussing on specific and concrete issues.

Priority will be given to biotechnology and other "high technology" manufacturing processes. Thus, the exchange of views provided for in these proposals, and the development of agreed opinions, will assist not only progress towards mutual recognition but the pharmaceutical industry by the establishment of certainty in respect of national regulatory requirements on a Communitywide basis in these very important and rapidly developing areas of science. There is no doubt that industry faces problems because of the varying requirements as between member states, and even more so when uncertainty exists about regulatory requirements because of large sums of money need to be invested early to secure a competitive position.

The proposals consist of a package of measures, four directives and a recommendation. Some touch on the general issues which I have already mentioned. Others contain more detailed improvements to the existing rules. The proposed recommendation simply adds another 14 guidelines on safety and efficacy considerations for the preparation and consideration of marketing applications. These guidelines were produced by extensive discussion in the Committee for Proprietary Medicinal Products which deals with medicines for human use. The guidelines were the subject also of consultation with representatives of the pharmaceutical industry. I believe that they are non-controversial.

The first proposed directive is new. Its most important element is the introduction of compulsory reference to the CPMP or the Committee for Veterinary Medicinal Products for applications involving major biotechnology innovation. The range of applications concerned is identified in the annex to the proposal at list A of the first directive. The directive also encourages reference to the Committee for Proprietary Medicinal Products or Committee for Veterinary Medicinal Products, in agreement with the company concerned, for other "high

technology" products as described in list B of the annex. As I have already said, the Government agree with the European Commission that co-ordination in this highly complex and rapidly advancing area of science is good for the public, manufacturers and the European economy.

Mr. Tony Marlow (Northampton, North): As my hon. Friend will accept, this is a technical and complex issue, but perhaps he will answer two questions. First, with a view to what is happening to the LD50 test, does the directive mean that United Kingdom patients are likely to be subjected to medicines that have not undergone the strict testing undergone by current medicines? Secondly, will the directive affect parallel imports—products which are made before the patent has expired in this country but which can be made in another country? If so, will it be to the detriment or to the benefit of the United Kingdom's pharmaceutical industry?

Mr. Whitney: If my hon. Friend will bear with me, I shall come later to the LD50 test. As for parallel imports, the directive will not have a detrimental effect on the United Kingdom's pharmaceutical industry.

The improvements to the text and explanations received have removed the concerns expressed in the 22 January 1985 memorandum. I shall not go into them in detail unless asked to do so.

The first proposed directive, in article 5, also introduces for medicinal products arrangements similar to those already in place for the generality of products, whereby the Commission and other member states are notified of proposed new technical regulations. The idea is to prevent the imposition of unjustifiable technical barriers to trade between member states, by allowing time before new regulations come into force so that all those concerned have an opportunity to raise objections, and to have those objections considered. The Government fully support this measure.

I turn now to the second and third proposed directives. I can deal with these together, because they contain similar measures; the first covering medicines for human use, the second covering veterinary medicines. Each contains two distinct elements. Neither element presents the United Kingdom with any difficulty. The first element introduces arrangements designed to assist the rapid updating of data requirements in support of marketing applications.

The Government agree that data requirements should be kept under review and modified promptly as indicated by experience and the advances of science. We also accept that it is a sensible way to avoid unnecessary delay on such important, if technical matters; we are perfectly content to accept qualified majority voting; and we do not think it essential to progress through all the exceptionally long European corridors involving, as they do, the Council of Ministers and the European Parliament, and so on. I am also reassured to learn that the so-called "committees for adaptation to technical progress" will, in fact, consist of people with special expertise in this field nominated by member states—the same people as form the Committee for Proprietary Medicinal Products and the Committee for Veterinary Medicinal Products.

The second element amends particulars required in support of marketing applications under parts 1 and 2 of the annex to directive 75/318/EEC and directive 81/852/EEC as relevant, dealing respectively with "Physico-chemical, Biological, or Microbiological Tests" and "Toxicological and Pharmaceological Tests". It may assist hon. Members if I say that the amendments of the annex to directive 765/318/EEC and the corresponding amendments to directive 81/852/EEC were added in March of this year under EC document 5752/86, whereas the amendment to part 2 of the annex to directive 75/318/EEC and the corresponding amendmemt to directive 81/852/EEC were in the original 1984 document.

The "part 1" amendments, as they are known, bring into effect detailed improvements to the text recently agreed by the CPMP and the CVMP. The "part 2" amendments are perhaps of more general interest. They do two things. The first is to require that safety tests are undertaken in compliance with the principles of good laboratory practice. The second removes the absolute requirement to determine the dose level of a prospective medicine which results in death for 50 per cent. of the animals used in the test.

My hon. Friend the Member for Northampton, North (Mr. Marlow) will recognise that I am referring to the lethal dose 50 test. For other hon. Members I should perhaps explain that the LD50 test is one of a battery of tests to establish the toxicity of a new substance before it is tested in human beings. Scientists now universally agree that the arbitrary choice of a 50 per cent. death rate is inappropriate. The appropriate death rate will be determined on a scientific need basis for each substance and will usually be lower than 50 per cent. This will avoid the unnecessary death of animals, which I am sure hon. Members will welcome.

Mr. Marlow: Will the Minister undertake to guarantee, although we are all quite properly concerned to reduce the unnecessary death of animals, that the level of protection for the human patient will be at least as high as it has been in the past?

Mr. Whitney: Within the limits of my own capabilities. It is a scientific determination and the careful judgment is that the scientific need basis, to which I have referred, will give the sort of guarantee that my hon. Friend is seeking and, indeed, that the Government must insist upon. Therefore, we share that objective.

I now turn to the fourth proposed directive. Yet again, the proposals are in discrete parts. The first, and more important concerns the data which must be submitted in support of an application for marketing authorisation. These are dealt with in article 4 of directive 65/65/EEC. The proposal is for amendment of Article 4.8, which deals with the results of tests and trials.

In general, applicants must provide the results of tests and trials, but where the constituent or constituents of a product have a well-established medicinal use with an acceptable level of safety—like many of the medicines that we can buy over the counter without a doctor's prescription—it would be ridiculous to require detailed data for each new application. What would be the point of using animals to produce unreliable models of possible effects in man in respect of a substance which had already been used by man himself for many years? The general rule to provide data is therefore relaxed in such circumstances.

On the other hand, it is important to take account of the valid commercial interests of innovatory companies, so that the results of their original research and development cannot be pirated. This protection of the results of original work is particularly important when companies are

[Mr. Whitney]

obliged to supply details in several languages for discussion in the CPMP or CVMP, and where patent protection may not be available, or patentable only with considerable difficulty, as with biotechnology medicines such as insulin or interferon, which are analogues of natural substances.

The picture is complicated by differences in practice between the regulatory bodies of the various member states. Some are more stringent than others in pressing for test results in respect of the constituents of products which are already on the market. Others, says the Commission, give an unfair advantage to copiers by using commercial information supplied to the original licence holder when assessing the copy application.

The Commission tried to reconcile the somewhat conflicting interests described above in its proposed amendments to article 4.8. The original proposals were generally acceptable to the United Kingdom. But we are not so clear about the effect of compromise suggestions made during negotiations. There seemed to be a possiblity that efforts to obtain maximum harmonisation of practice between member states would produce a text which went too far towards obliging national regulatory bodies to demand test results for already well-known constituents.

That was the stage that we were at when my right hon. Friend the Minister for Health signed the supplementary memorandum on 8 May. But my officials have now been able to study the new text in detail, and they have satisfied me that their anxieties were unnecessary. The problem, in fact, turned on interpretation.

The second, and comparatively minor part of the revision of directive 65/65/EEC — I interject here, no doubt to the relief of some hon. Members, that this is the last point of detail that I propose to bring to the attention of the House — repeals the obligation to mark external packages of narcotics with a double red band. The intention of that marking was to help pharmacists to keep all such products under proper surveillance, but experience has shown that the markings are also at least as helpful to drug addicts or thieves who, on breaking into pharmacies, can quickly identify their loot.

As I hope I have made clear, the proposals contain useful improvements and additions to the present arrangements for controlling the safety and the marketing of medicines within the Community. At the same time, they provide assistance to research-based pharmaceutical companies, particularly those engaged in biotechnology, and represent useful progress towards removing the remaining barriers to trade between member states. I invite the House to agree that we should welcome adoption of the proposals contained in European Community documents 9630/84 and 5752/86.

10.32 pm

Dr. John Marek (Wrexham): The proposals are very technical, and it is extremely difficult to judge their merits. There is no doubt about the content of the proposals, because I can read English, but I have no direct research experience of this matter, and so it is difficult for me and, I suspect, for most hon. Members to judge their merits.

Nevertheless, when drugs are imported, it is important to know exactly what they contain. It is also important to know about the conditions of manufacture, and to know what impurities may exist, particularly in the case of parallel imports. I am not against importing generic substitutes, but the proper concern of British pharmaceutical companies — that they should be able to continue research and development in the United Kingdom — must also be protected. Of course, that can be subject to licences of right, and to generic substitution once patents have run out.

There are now substantial imports from the EEC, and we should know exactly their quality and content, in order to protect the public. On the one hand, the public must be protected and, on the other hand, one must not stifle innovation in research and development.

Given my initial statement about my limitations in understanding the proposals, I can give them a cautious welcome. The amendments ought to strengthen public safety without doing damage to the research and development required in producing new pharmaceuticals using biotechnology. Existing directives will be amended so that a new biotechnological product must be considered first by the CPMP, which is the expert EEC committee, before the DHSS can give a product licence. That is to the good as a principle in itself.

There are limitations, but one does not want to delay unnecessarily the introduction of important new drugs. Provided the committee does not deliberate too long — I do not think it will — it can only be to the advantage of the public if it examines any biotechnological product. Therefore, we have no objection to that.

We have to be careful that we do not remove responsibility from the Minister on product licences. Responsibility for what is marketed in this country should remain with the Minister. He will have his expert committees which should continue to advise him.

There is a danger that if the Common Market produces an expert committee, say, the CPMP, which has all the information available to it, it will perhaps accrete to itself such power that national committees may more and more take for granted the word of the EEC experts committee. Nothing must be taken for granted. Anything that the CPMP considers should be taken into account by our national expert committee, but it would be a pity if the investigative function of the expert committees of member states was not used as much and those committees relied almost exclusively on the opinion of the CPMP. Therein lies a danger. Provided we do not allow that to happen, the referral of products to the CPMP is an advance that I welcome.

I understand that there will be standardisation of data requirements within the EEC. That should speed up the introduction of new products and drugs, so long as public safety requirements are not relaxed.

In explanatory memorandum 8232 on document 9630/84, paragraph 2.4 says:

> "The arrangements for rapid data updating involve the establishment of a Committee for the Adaptation to Technical Progress of the Directives on the Removal of Technical Barriers to Trade in the Proprietary Medicinal Products Sector. This Committee would be chaired by a representative of the Commission, and act by qualified majority (as also would the council of Ministers when considering Committee proposals). The Commission is also given power to effect changes to data requirements on its own account if the Council of Ministers has not acted on the Committee's proposals within three months."

There are certain doubts in my mind about that. I know that the arrangements are for data updating, but there is a possibility of the committee acting by qualified majority.

I wonder whether the Minister can envisage the United Kingdom losing out, perhaps if it voted against a proposal but was outvoted by a qualified majority.

The committee is for the adaptation of directives on the removal of technical barriers to trade, but I do not know exactly what the committee will consider. For example, it could consider the importing of more drugs into this country. Am I right in thinking that the United Kingdom could object to proposals to allow an increase in drug imports, with less stringent controls and safety built into the conditions, but we could be outvoted by a qualified majority? If that is so, or if there is a similar situation, there is cause for concern. I hope that I have misunderstood that paragraph. If I have, I would welcome the Minister's comments so that he can put my mind, and, I am sure, other people's minds at rest.

Paragraph 5.3*(c)* of the same document refers to

"The requirement to consult the CPMP and the CVMP before Member States can grant or revoke marketing authorisations for the listed range of products."

That paragraph will be put into the directive. I welcome it, if it is a matter of introducing new products. Provided that there is no unnecessary delay, the intention to consult the CPMP and the CVMP is good. On the other hand, I wonder what happens the other way round. Let us suppose that a product has a product licence, but for some reason it has to be taken off the market. Again, I may have misunderstood the provision, and I may be asking a naive question, but I believe that it is important. Will the United Kingdom retain its right to revoke a product licence for any product immediately without having to consult the CPMP about it? If the Minister can say anything about that, I should be grateful. Indeed, that requirement is one of the controversial elements in the directives. It is controversial from the point of view of revoking a product licence. But it is not controversial if it is a matter of introducing a new product.

I welcome the extension to medicinal products of the community "stand-still" arrangements concerning draft technical regulations of a member state. That can only be good if there is prior compulsory consultation, and delay if an objection is raised. I also welcome the removal of the absolute requirement in determining dose levels of a drug for human use which results in the death of 50 per cent. of the animals used in the test. The Minister referred to it as the LD50 test. I am persuaded by the scientific evidence, of which I have seen quite a lot, and to which the Minister referred, that it is no longer necessary to have an LD50 test.

I hope that that relaxation of the absolute requirement will be used by the United Kingdom, and that fewer animals will have to die as a result of experiments. I am persuaded that that can be done with no detriment to public safety standards. I say as an aside that, if there are any tests on patients, all patients should be told that they are being tested. There has been some doubt about that in recent times. The matter does not come within the directives, but perhaps the Minister should take it on board. Sometimes there must be tests on patients, and there is no harm in that so long as the tests are properly controlled, and the patients must know what is happening; if the patients are children, their parents should be told. In other words, proper control must be exercised.

Another important proposal is the provision to ensure a 10-year period of protection from the date on which the marketing authorisation was granted. While I do not object to that in principle, I do not want to see it as a first step in extending protection from 10 years to 16 or 20 years or perhaps even longer.

Problems could arise with the phrase "essentially similar products", words which appear in the English translation of the directive. Difficulties may arise with the definition of that phrase. Perhaps the Minister can put our minds at rest on that.

EEC document 5752/86 emanates from a letter from the Vice-President of the Commission of the European Communities, Lord Cockfield, to Mr. Hans van den Broek, President of the Council of the European Communities. It amplifies some of my concern about the definition of substances and the meaning of words. Page 7 contains this insertion in the directive:

"the description of the substance, set down in a form similar to that used in a descriptive item in the European Pharmacopoeia, shall be accompanied by any necessary explanatory evidence, especially concerning the molecular structure where appropriate; it must be accompanied by an appropriate description of the method of synthetic preparation. Where substances can only be described by their method of preparation, the description should be sufficiently detailed to characterise a substance which is constant both in its composition and in its effects."

Probably no substance is absolutely constant in its composition and, therefore in its effects; substances over time change in their composition, and I should not be surprised if the toxicity of some substances changed over time. If the passage that I quoted is all that is being added to the directive, I wonder whether it will enable us to define sufficiently precisely substances when product licences are being granted. Shall we be able to assess them when considering if they are "essentially similar" to other substances? That might be consideration in deciding whether to give them 10-year protection. I am not convinced from the paragraph I quoted that we have the provision sufficiently accurate for there to be no doubt about its application in any of the cases that I cited.

On the same theme is the question of the provision of information. Annex 1 to the Council recommendation relating to tests in document 9630/84 deals with placing proprietary medicinal products on the market. Paragraph 3*(b)* says:

"Whatever species or strain of animals are selected it is essential that the following information should be provided, age, sex, weight, origin and the time in the laboratory before tests, whether or not the animals are classified as being free or specific pathogens, whether or not the animals have been vaccinated or submitted to any other procedure. Details of housing and environmental conditions should be given. Access to and the nature of the diet and the availability of water should be stated. All the above factors are known to affect the acute toxicity of substances."

I am sure that all the information is necessary to make a decision on the toxicity of substances, but is it sufficient? The document says nothing about that. Does the Minister have any information on that?

In addition, there is a problem about the definitions and their interpretation in the various member states. It may well be that some definitions will be applied in different ways. Under the new British legislation there will be licences for animal experiments, and so on, and I hope that there will inspectors to make sure that there is control and standardisation in Britain, so that when any tests are performed the public can be sure that they have been done properly and not on the cheap.

Shall we simply take on board the testing and analyses of other member states and accept that their standards

[Dr. John Marek]

must be high enough? What criteria will the Minister use? Is he worried that the procedures in other member states may not be as good as those in the United Kingdom? I do not say that in any political way. I hope that all hon. Members would wish to be satisfied about that.

Other questions can be asked about the proposals, but apart from matters of detail there are a few essential questions. Will safety and the confidence of the public in medicines and medicinal products be increased, and will research and development into new medicines be encouraged, or at least not discouraged? Will the proposals help in animal replacement in experiments where that is practical and possible? Will there be a greater exchange of views among experts in the various fields? I hope that the House will bear in mind my earlier comments about the European experts committee. Finally, will new important medicines become available more quickly on the market?

The answer to those questions will probably be yes, but I hope that the Minister, with the advice and expertise available to him, will be able to answer the questions before the end of the debate.

10.53 pm

Mrs. Edwina Currie (Derbyshire, South): The Chamber may have emptied, but the subject that we are talking about tonight — the generation of drugs through biotechnology — is probably as important in our lives and is likely to be as important in future as the effect of South Africa on our lives today and I am glad to have an opportunity briefly to discuss it.

I think that it was Magnus Pike who pointed out that the creation of drugs through fermentation has been with us as long as there have been human beings and the first thing that Noah did when he came off the ark was to learn about fermentation and then get very drunk.

I take a personal and a constituency interest in the matter as the brewing industry in Burton-on-Trent, which is of long-standing, provides a large volume of materials for parts of the pharmaceutical industry in my constituency through companies such as English Grains Ltd. They will be pleased to see the stand taken by the Government in the Minister's letter of 8 May 1986, to which my hon. Friend referred, which said that full test data, will not be a mandatory requirement for the new applications in respect of well-established products, because that is exactly what the pharmaceutical companies in my constituency are producing — well-established, long-used products. To have to go through the whole business of re-testing them simply to satisfy a Common Market directive would be arduous.

I should also like to congratulate whoever produced "Biotechnology: A Plain Man's Guide." It emanates from the laboratory of the Government Chemist. Perhaps I ought to ignore the sexism of the title, but I am delighted to see that the person on the front who looks so puzzled at the whole business is, indeed, a man. For that reason I refuse to take exception to the title. The book is first-class and I hope that people producing documents in other Government Departments will take a leaf out of it.

It is easy to understand and easy to find one's way around. It links the different departments extremely well and is full of delightful little cartoons, such as two bugs discussing whether to eat a piece of cake.

The sections in the book that refer to Wales, Northern Ireland and Scotland are highlighted by, in the case of Wales, a lady with a daffodil, in the case of Scotland, a bearded chap with bagpipes, and in the case of Northern Ireland, a leprachaun with a shamrock sticking out of his hat. Things like that make it easy to follow. The sense of humour and the style of the person who wrote this to be commended.

My own links with this industry started some 20 years ago when I was employed for a while in the product-testing laboratory of Eli Lilley and Company in Speke near Liverpool. Part of my job resulted in my getting the cold shoulder from a lot of the people that I travelled home with, because it involved taking bacteria, feeding them agar agar and Bovril, allowing the bacteria to grow — and, as a result, to become exceedingly smelly — then testing the effect on them of various concentrations of drugs, such as penicillin and penicillin derivatives. The trouble with doing that job was that the pong clung to one's hair and skin and riding home on the bus was a rather unpleasant experience for all the other passengers. For doing that job I was paid £10 a week. I suspect it was quite a dangerous way to test commodities and I sincerely hope that nobody messes about in quite that way these days.

When trying to understand the material that is before the House, I noted with interest that Eli Lilley and company is still very active in the field of biotechnology and last year had the largest single number of patents granted in biotechnology in the United States of America. The company had 28 out of just over 1,000 patents. In the last three years over 3,200 patents have been granted in the United States of America, so we really are into a growth industry. I have seen estimates that the biotech market will grow to 100 billion dollars by the year 2000, which is not very far away. The sad thing is that although two thirds of these patents were of American origin, and one third were not of United States origin, the largest single other country was Japan. The Common Market countries are a long way down the list and last year the United Kingdom had only 32 patents approved in the USA. That is barely more than than patents granted to one company, Eli Lilley. From what I could see, the total from all the Common Market countries came to less than 100 — in other words, less than 10 per cent. of the number of patents granted in the United States. That is sad when we consider that the origins of this extraordinary technology were entirely British and resulted in a number of Nobel prizes, the most recent being awarded to Cambridge university in 1984.

Biotechnology is a strange world. It is a world of immortal cells that will go on reproducing themselves indefinitely. It is a world of activities and ideas that we can only begin to grasp. I suspect that when these changes were first announced and first became the subject of investigation by such organisations as the Common Market we probably overestimated the possibilities. They are certainly coming now.

Recently some hon. Members were given a demonstration in the Commons of some of the diagnostic techniques that are the subject of today's papers. We were shown, for example, the development of the Wellcome Foundation in the detection of AIDS. We were shown the possibilities that are soon to become commercial in which a pinprick of blood will be taken, perhaps in a doctor's surgery, and will be tested for a wide range of reagents and reactants

in the blood and will enable us to detect instantly whether someone is suffering from an illness or what the course of a chronic illness might be. Some of these commodities are already on sale so we are not talking in these documents about theory. Human growth hormone, for example, and insulin are already available. Treatments for such diseases as herpes, hepatitis B, thalassaemia, sickle cell anaemia and so on, are being actively worked on and tested under these regimes. It is hoped that a great deal of the work will help cancer patients, and much research is being funded by cancer charities, which is to be welcomed.

My hon. Friend the Member for Northampton, North (Mr. Marlow) asked about changes involving animals and animal testing. The question about the LD50 test for animals is raised in directive 75/318/EEC. I am by no means a qualified scientist, but the material is specifically genetically engineered and intended for a particular purpose and a particular species. Our main concern is about human beings. Therefore, it seems peculiarly inappropriate to use that test. We shall not learn much from the effect of that material on animals. We want to learn of the effect on people. I should be grateful if my hon. Friend the Minister will clarify that matter when he replies.

It is nice to know that the new mechanisms for creating this material will to a large degree obviate the use of animals. When the technology started animals such as mice were used for the original antibodies. Now companies such as Celltech are using mechanical bio-reactors on an enormous scale. It is nice to know that this is a British company. It was set up some five years ago by the National Enterprise Board, partly as a response to our complete failure to patent some of the ideas we had been developing and getting Nobel prizes for. Despite the activities of the NEB it is now 85 per cent. privately owned, and it is doing well. It has, for example, the world's first licence to be granted by the United States' Government for bulk production of monoclonal antibodies, and is selling the stuff by the kilogramme. That is absolutely fantastic and will open up the opportunities for research in a big way.

I hope that my hon. Friend the Minister will bear in mind the comments made about safety. Recently, in the United States there has been a case, referred to in the literature, not concerning human material but an animal vaccine for use against pig pseudorabies. It was licensed for use last January—not six months ago—and within four months its product licence was removed because of an action brought by the Environmental Protection Agency in the United States in which it was alleged that testing had not been done properly. It was apparent from the evidence circulated that the real anxiety was that genetic material might be leaked into the environment and have damaging effects, like of which none of us could guess at. The response of the health inspectorate in the United States — which rejoices in the acronym APHIS, the Animal and Plant Health Inspection Service—was that the vaccine would go into the pig and no further, and that there would be no environmental leakage. Nevertheless, it is a matter of some concern.

In the light of some of the anxiety about pesticides and the effect of their inappropriate storage and use, these EEC directives on manufacturing and testing are not sufficient. We need to be reassured about storage use, and training for use of those materials, especially when we are talking not only of human vaccines and drugs, but animal and plant use. It is essential that we maintain the highest standards so that we can reassure the public.

Provided we retain an awareness of the dangers of dealing with these powerful commodities, I hope that that with encouragement and careful Government supervision across Europe much more rapid progress can be made.

11.3 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): The hour is late and the Minister is facing an unprecedented degree of harmony across the Floor on a health issue. Therefore, I intend to be extremely brief.

Without being flippant about the speech of the hon. Member for Derbyshire, South (Mrs. Currie), I must say that I endorse her views about the inherent sexism in the presentation of the document to which she referred but which I have not had the opportunity to see. The caricaturing inherent in that title can equally be applied on a nationalist level to display everyone in Ireland as a shamrock-waving leprechaun and everyone north of the Border as a bagpipe-playing Scot. I hasten to say that we certainly play the bagpipes better than we play football these days, but that is another story.

For once, I find myself supporting a Government motion. It seems to be eminently sensible. I will not repeat the qualifications and proper reservations which have already been expressed.

I agree with the hon. Member for Derbyshire, South about the crucial importance of biotechnology to the future of medicine. There is a revolution in primary health care. The Health Service, at local level, through the general practitioner's surgery, can meet many of the demands which hitherto were considered to require specialist treatment of a more exclusive type – I use that word advisedly. The revolution has been made possible by the growth and development of biotechnology techniques.

It makes good common sense to have as free an internal market in Europe as possible, consistent with the maintenance of adequate health and safety levels.

It is important to stress that, in drawing up these directives and the accompanying material, the Commission has said that the

"most recent Directive (83/570/EEC) will lead towards the establishment of a genuine common market for medicinal products by evolutionary process, but that medicinal products derived from biotechnology and other forms of advanced technology cannot wait."

The hon. Member for Derbyshire, South referred to the briefing, which we both attended, on some of the developments that are taking place. It is evident from the expert and informed opinion of the British companies involved that there is some urgency. I echo what the hon. Member for Derbyshire, South and the companies have said to the Department and I trust that the Minister will make satisfactory progress. We shall certainly give him support.

I am glad that the Government are welcoming the continuing progress towards removing the remaining barriers to trade between member states in the Community. In that respect, I support these measures.

With regard to research and development, reference has been made to the general concerns of the United Kingdom industry. At a recent annual dinner which some of us attended, the Minister for Health laid great stress on the tremendous contribution which the pharmaceutical

[Mr. Charles Kennedy]

industry makes to research and development, and to exports. That is correct, and I hope that the Government will see their way to negotiating with the industry a better deal on potent life. That would enable a betterdeal for the industry and permit greater opportunities for the research taking place in Britain to remain a domestically based development capacity and, therefore, an export potential. In the past, patents have passed on to North America or Europe at the expense of the British economy and developments.

Subject to the obvious expressions of concern about the maintenance of adequate standards of health and safety for the public, we welcome these proposals.

11.9 pm

Mr. Roger Sims (Chislehurst): We have a successful and innovative pharmaceutical industry. To the extent that these proposals will enable and facilitate the development and marketing of products in the Community, they are very much to be welcomed.

I am worried, however, that in the earlier memorandum, dated 3 October, among the items which the Department described as "Controversial Elements" was

"(e) The security of commercially confidential information."

This is clearly an important matter. Although, once established, a product may be protected by patent, information might have to be passed under these proposals before the patent application has gone through. We know from experience that there are some not too far away from these islands who are quite likely to steal information and use it. A product and enormously expensive research by British firms could be seriously undermined.

In the later memorandum, dated 8 May, we are simply told:

"We are satisfied with the progess of discussions in Brussels so far on all the features listed in"

the previous memorandum. That seems a rather vague reference to this all-important matter of the security of commercially confidential information. I wonder whether, in winding up or later, my hon. Friend will assure me and the industry that the matter has been covered fully and that his officials are satisfied that the earlier reservations have been met.

11.11 pm

Mr. Whitney: With the leave of the House, I should like to reply to the debate.

This has been a short but interesting and informative debate. I assure the House that any suggestion that British standards will be limited or degraded by these measures is unjustified. Our standards will unquestionably remain as high as they are at present. The arrangements for determining responsibility for how drugs may be marketed will also remain in force. Whatever arrangements might be proposed to remove remaining barriers to trade between member states by 1992, we shall insist on retaining the right to deal with medicine in a way which suits United Kingdom conditions if we consider such action to be necessary.

Mr. William Cash (Stafford): Could I have my hon. Friend's assurance that there is nothing in the directive——

Mr. Deputy Speaker (Mr. Harold Walker): Order. the hon. Gentleman has just walked into the Chamber. He has not heard anything of the Minister's speech or that of any other hon. Member. I hope that he is not trying to reopen matters that he could well have understood if he had been here at the beginning of the debate.

Mr. Whitney: Thank you, Mr. Deputy Speaker. If my hon. Friend has any misgivings, no doubt we can exchange correspondence on the matter.

The hon. Member for Wrexham (Dr. Marek) asked about testing procedures in other countries and whether they are as high as in Britain. The UK licensing authority will continue to have the benefit of the expert independent committee, the Committee on Safety of Medicines, which will continue to examine critically all the scientific evidence to satisfy itself about the safety, quality and efficacy of products for which licences have been applied for.

My hon. Friend the Member for Chislehurst (Mr. Sims) asked about commercial secrecy in consequence of applying the obligatory consultation procedure, in addition to the usual protection offered by the requirement imposed on the participants in relevant Community committees. There is also the additional protection that is offered in the fourth directive, with which I dealt in my opening speech, of the 10-year indirect protection for the original licence holder of scientific data needed to support an application. This would prevent someone who obtained confidential information about a product from using it to obtain marketing authorisation for a copy product.

We also had our own worries in the context of confidentiality about the reference to the use of

"ad hoc groups of experts or highly qualified outside consultants."

However, when we explored this matter in discussions we found that it was a semantic difficulty and that what the Commission had in mind was no different from the existing CPMP and CVMP arrangements. Confidentiality continues to be of great importance, and I assure my hon. Friend that we shall watch the matter with extreme care.

Concern was expressed by the hon. Member for Wrexham about the Government's right to revoke licences. It would be unacceptable if the effect of any of these proposals were to delay the removal of what might be a public health hazard—for example, a medicine that was shown to have unacceptable side effects. The revised text that is now before us makes provision for emergency action, when necessary, without prior consultation. We are now fully satisfied with the arrangements.

I have covered most of the main points. In particular, I hope that I have covered the points raised in the, as always, impressive contribution of my hon. Friend the Member for Derbyshire, South (Mrs. Currie). If I have not covered all her points, I shall seek to do so in correspondence.

The hon. Member for Wrexham quite properly ended his remarks by asking whether these measures will increase public confidence and encourage research and development and whether they will make a beneficial contribution to reducing the use of animals in testing and promoting greater interchange in the pharmaceutical industry within the European Community. I give the House an unqualified assurance on all those points.

These are sensible measures. They will help in the creation of a common market within the European

Community, at the same time maintaining standards in the crucial areas of pharmaceutical and veterinary products. Therefore, I commend the documents to the House.

Question put and agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 9630/84 and 5752/86, proposals for draft Directives and a Recommendation, and Amendments to the proposals, on the marketing and testing of medicinal products, and of the supplementary explanatory memorandum from the Department of Health and Social Security dated 8th May 1986; endorses the aim of strengthening biotechnology in respect of medicinal products within the Community; and welcomes continued progress towards removing the remaining barriers to trade between member States, whilst fully protecting public health.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 19th June, notwithstanding the provisions of Standing Order No. 3 (Exempted business), if proceedings on the Motions in the name of Mr. Secretary King relating to the draft Northern Ireland Assembly (Dissolution) Order 1986 and the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1986 have not been previously disposed of, Mr. Speaker shall at Eight o'clock put forthwith the Questions thereon. *[Mr. Neubert.]*

"The Observer"

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Neubert.]*

11.17 pm

Mr. Tim Smith (Beaconsfield): I am grateful for the opportunity to raise this evening the subject of the appointment and role of the independent directors of *The Observer* newspaper.

On 9 July 1981, my right hon. Friend the Lord Privy Seal, who was then Secretary of State for Trade, gave his consent under section 58 of the Fair Trading Act 1973 to the transfer of *The Observer* newspaper from the Atlantic Richfield Company to George Outram and Co. Ltd., a subsidiary of Lonrho plc. He had received an application for his consent on 27 March 1981 and, as required by section 59 of the Act, he had referred the matter to the Monopolies and Mergers Commission for investigation and report. By a majority of seven to one the Commission decided to recommend that Lonrho be permitted to acquire *The Observer*, subject to certain conditions. The dissenting member, Dr. R. L. Marshall, concluded that:

"In particular the crucial relationship between editor and chief officer is too close, subtle and continuous to be subject to control by third parties, or amenable to effective mediation by them in circumstances where the trust and mutual forbearance on which their relationship is ultimately based has broken down under the strain of a legitimate clash of interest. Accordingly I do not believe that the proposed safeguards would be effective."

I believe that Dr. Marshall was right and that the safeguards have been ineffective. The safeguards were that five independent directors should be appointed to the board of *The Observer* and that the articles of association of *The Observer* should be altered in certain respects.

Among others, there were to be requirements that the editor of *The Observer* should retain control over all content of the newspaper and over any political comment published in it, and should not be subject to any restraint or inhibition in expressing opinion or in reporting news that might directly or indirectly conflict with the opinion or interest of any of the newspapers proprietors of *The Observer*. Any dispute concerning these or certain other matters between the editor of *The Observer*, the directors of *The Observer* Ltd. or the directors of its holding company was to be referred to the independent directors, and their decision was to be final and binding.

I believe that subsequent events have shown these conditions to be inadequate in two respects. First, while they envisaged a situation in which the editor might be restrained from reporting news which conflicted with the proprietor's commercial interest, they did not envisage a situation in which the editor might be encouraged to report news which furthered the proprietor's commercial interest. Secondly, the independent directors were given a positive role only in the event of a dispute between the editor and the directors. But if the editor and the directors, or a director, were acting in collusion, no positive role was specifically given to the directors.

It appears that the independent directors have, in effect, regarded these conditions as the terms of reference of their appointment and have chosen to interpret them narrowly. It is true that they meet together regularly as a group. It is true also that they meet the editor and the staff regularly independently of the other directors. I believe, however, that they go along to hear what the editor and the staff

[Mr. Tim Smith]

have to say rather than to raise issues with them. I suspect that this is because they see their role as one of protecting the editor and his staff from the proprietor. They feel constrained by their terms of reference and are inclined to overlook the fact that they also have all the responsibilities of any company director. If they were to interpret their role in a less restrictive fashion, they would perhaps see that it is not their job to protect the editor regardless of his quality, and that it is their job to take a more active interest in the editorial policy of the paper and in the commercial aspects of the business. They should be as aware as any other director of their ultimate responsibility to the shareholders of Lonrho and wary of the possibility that the proprietor might be more interested in using *The Observer* to further his particular interests than in making a commercial success of it.

I have two examples to support my case. The first occurred in April 1984 when, following a visit to Zimbabwe, the editor wrote a story about Zimbabwe security force atrocities in Matabeleland. The chief executive of Lonrho, Mr. Tiny Rowland, subsequently wrote the Prime Minister of Zimbabwe, Mr. Robert Mugabe, a letter of apology. He said that his editor had been discourteous, disingenuous and wrong. His story was not substantiated and not based upon any research.

As there was a clear dispute between the editor and at least one director, the independent directors were able to intervene. They concluded that Mr. Rowland's criticisms constituted an inhibition, if not a restraint, on the editor's freedom and improper proprietorial interference in the accurate presentation of news and free expression of opinion. Mr. Rowland's response to this was to reduce the fees of the independent directors from £4,000 to £1,000. He described them as "troglodytes" and said that they had served no useful purpose.

The second example is current and concerns the House of Fraser plc. I think that it is well known that for many years Lonrho had hoped to acquire this company. In November 1984, Mr. Rowland agreed to sell Lonrho's 29·9 per cent. shareholding in the company to Al Fayed Investment and Trust (UK) Ltd., a company owned by the Fayed brothers. This enabled them, in March 1985, to launch a successful bid for the company.

Since then, *The Observer* has run a succession of stories to the effect that the Sultan of Brunei financed the Fraser purchase. The most recent appeared on 18 May. It claimed that powerful new evidence had emerged that Mark Thatcher visited Brunei with Mohammed Fayed at a crucial time in the Harrods takeover battle. It said that *The Observer* was in possession of a certificate signed by the former permanent secretary in the Ministry of Home Affairs in Brunei confirming the visit.

The story alleged that the two men flew in Fayed's private jet on 24 October 1984 and left two days later. It said that that was just a week before the Monopolies and Mergers Commission's report into Lonrho's bid to buy the House of Fraser was delayed for three months. According to the story, the Egyptian Fayed brothers used that time to acquire the group with the help of the sultan's millions. The story was written by a staff reporter.

In relation to a previous story in January, also written by a staff reporter, the *UK Press Gazette* commented that it had been written or "pulled together" by the editor himself. It said:

"Why him? Because it came to the paper through the proprietor, 'Tiny' Rowland, a fierce business rival of Fayed's."

The story on 18 May made a number of other claims. I believe it to be largely a fabrication. I believe the certificate to be a forgery. I have seen a statement signed by the permanent secretary in the Ministry of Home Affairs on 2 June in which he declares that the certificate is an outrageous forgery and that

"it is an absolute lie to suggest that I am the author of that document."

Can it be just a coincidence that it is *The Observer*, owned by Lonrho, which has been running this series of stories and that other newspapers have hardly touched it? Perhaps it is. Writing in *The Sunday Times* of 11 August last year, Ivan Fallon reported that most Fleet Street newspapers, including *The Sunday Times*, had investigated the allegations without finding any link between the vast wealth of the sultan and the Harrods takeover. *The Mail on Sunday* of the same date went further and claimed that a letter purporting to be from the sultan to Mohammed Al Fayed and on which a story in *The Observer* of 28 July had been based was a forgery. I am convinced that it is not a coincidence that *The Observer* has been running such stories. I am satisfied that they are largely untrue.

The matters were inquired into by the Director General of Fair Trading last year. Mr. Rowland claimed that he had evidence to support those assertions, but, in response to a request from the Director General, he declined to make it available. Nevertheless, the Director General inquired into the assertions. He was given information which satisfied him that none of the assertions was well-founded.

I am sorry that, in those circumstances, the directors of *The Observer* are either unable or unwilling to prevent Mr. Rowland from pursuing his personal vendetta against the Fayed brothers. It seems to me that, in circumstances in which such claims are made, the independent directors of *The Observer* in particular ought to be able to intervene. They feel unable to do so, however, on the ground that there is no dispute between the proprietor and the editor. On a strict interpretation of their terms of reference, they may well be right. That is why I believe those terms of reference to be defective.

In a recent article in the *Spectator*, Paul Johnson drew attention to the fact that *The Observer* is also subject to censorship by the unions. He reported that the print unions had recently told the editor that he must not print a review in the paper's literary section by Bernard Levin. Levin has a freelance contract with the *The Times* and writes passionately in support of individual freedom and democracy in the unions.

The editor decided not to publish the Levin review. Readers of *The Observer* were given no indication that they were buying a union-censored newspaper. Mr. Johnson argued that the danger in such cases is not only that a weak editor submits to blackmail—in this case he had been given an ultimatum "Put in Levin and you will not have a paper"—but that he almost unconsciously begins to do what he thinks the bully boys want him to do, without their even having to ask.

An even more serious danger for *The Observer*, Mr. Johnson continued, was that its proprietor, seeing the way things were going, would take advantage of editorial weakness. He said that a man such as Rowland does not mind the unions getting their way on the bits of the paper

which concern them, so long as he too gets his way on the bits of the paper which concern him. But between the pair of them, there is not much left of the newspaper's old independent voice. Perhaps it would be fairer to readers to print under the newspaper's masthead the slogan "Owned by Lonrho and censored by the unions".

Union censorship should, of course, be the concern of all the directors, but perhaps here, too, the independent directors feel unable to intervene because there is no dispute between the proprietors and the editor. My conclusion is that they should approach their task in a more positive and less circumspect manner. However, if they genuinely feel constrained by their terms of reference, those terms should be extended so that it becomes clear beyond doubt that, in the context of *The Observer*, it is their responsibility to defend and uphold the freedom of the press.

I put it to my hon. Friend the Minister that these matters should now be examined as part of the Government's review of competition policy. Sections 57 to 62 of the Fair Trading Act 1973 deal with newspaper merger references. Consideration might be given to the possibility of allowing the Secretary of State to impose conditions going beyond those recommended by the Monopolies and Mergers Commission. More importantly, consideration should be given to the kind of conditions attaching to a consent to the transfer of a newspaper that would prove effective in practice. Mr. Rowland has made a laughing stock of the existing policy, and the review of competition policy is therefore most timely.

11.31 pm

The Minister for Information Technology (Mr. Geoffrey Pattie): I thank my hon. Friend the Member for Beaconsfield (Mr. Smith) for drawing attention to this topic. I shall begin by explaining the role and responsibility of my right hon. Friend the Secretary of State in this matter, which is very limited. I shall then go on to refer briefly to some of the specific criticisms that my hon. Friend has raised.

My right hon. Friend has a role in the transfer of ownership of newspapers because of his responsibilities under the Fair Trading Act 1973. This legislation contains special provisions relating to newspaper mergers. These differ from those applying to the generality of mergers. These provisions spring from the 1962 report of the Royal Commission on the press. This concluded that action should be taken to regulate the increasing concentration of newspaper ownership, which could threaten the freedom and variety of expression of opinion, and which might, in extreme circumstances, threaten the unbiased presentation of news.

The Act provides that the transfer of a newspaper to someone who already owns newspapers requires the Secretary of State's consent. Consent is required if the combined paid-for circulation of those papers is 500,000 or more, or if the transfer increases the combined paid-for circulation above 500,000. A transfer without the Secretary of State's consent when consent is required is void and unlawful. It is also a criminal offence.

Except in closely defined circumstances, my right hon. Friend must refer any application for consent for a transfer to the Monopolies and Mergers Commission for investigation and report. In making its investigation and report, the commission considers whether the transfer would be expected to operate against the public interest, taking into account all matters which appear in the circumstances to be relevant and, in particular, the need for accurate presentation of news and free expression of opinion.

In considering whether to give his consent, the Secretary of State must have regard to the report of the commission, but he is not bound to follow it. He may give unconditional consent to the transfer, or he may impose conditions.

I turn now to the application of these arrangements to the case of *The Observer*. In 1981, *The Observer* was owned by the Atlantic Richfield Company. Lonhro plc applied to my right hon. Friend's predecessor for consent to the proposed transfer of *The Observer* to its wholly owned subsidiary, George Outram and Co. Ltd. That subsidiary already owned newspapers – the *Glasgow Herald* and the Glasgow *Evening Times*. Another Lonhro subsidiary, Scottish and Universal Newspapers Ltd. was then publishing 23 local weekly and bi-weekly newspapers in Scotland.

None of the closely defined exceptions permitting the Secretary of State's consent without a reference to the Monopolies and Mergers Commission applied in this case. These exceptions have to do with the economic viability of newspapers as going concerns and urgency. The matter was referred to the Monopolies and Mergers Commission for investigation. The commission's report, published in June 1981, concluded that, if the transfer were made subject to conditions described in the report, it might be expected not to operate against the public interest. The commission recommended that consent to the proposed transfer should not be given unless those conditions, designed to safeguard editorial independence, were attached to it.

The commission's role in newspaper mergers is purely advisory. As I have said, it is for my right hon. Friend the Secretary of State to give, or to withhold, consent to a transfer and to impose whatever conditions he — and I stress he — thinks fit. In the case of *The Observer* he accepted in principle the commission's recommendations. But he thought it right, before he finalised his conditions, to give interested parties an opportunity to comment. He was particularly concerned that the conditions which were to be imposed should be no more than the minimum necessary to safeguard editorial independence, and to permit the running of *The Observer* with the smallest degree of interference from outside authorities.

In the event, the conditions that my right hon. Friend's predecessor decided to impose following these consultations with interested parties differ from those suggested by the Monopolies and Mergers Commission. The purpose of the conditions actually imposed was to secure the independent position of the editor in determining the content of the newspaper. This was achieved by requiring amendments to the articles of association of Observer Ltd., the company which is the direct owner of the newspaper. The articles were further required to provide that the editor should not be subject to restraint in expressing opinion or reporting news that might conflict with the opinion or interest of the proprietor. His control over the journalistic staff of the newspaper would be set out. The articles would, in addition, provide for five independent directors, who would have the special responsibility for resolving any disputes on matters of editorial independence between the editor and the directors of Observer Ltd. or its parent companies,

[Mr. Geoffrey Pattie]

including Lonrho. The consent of the majority of these directors would also be required for the appointment or dismissal of the editor and of any of the independent directors themselves.

Other conditions ensured that these arrangements should continue if *The Observer* were to be transferred within the Lonrho group as the result of a company reorganisation, and provided for consultation with the board of Observer Ltd., if Lonrho proposed to dispose of *The Observer* outside the group at a future date. These articles of association may not be altered in any way affecting the requirements as to editorial independence without the consent of the Secretary of State.

As I have said, the object of these conditions was to ensure that the editorial independence of a newspaper—an important and distinguished national newspaper—such as *The Observer*, was safeguarded against any danger of undue influence from its proprietor. The conditions were also intended—and I make no bones about this—to ensure that the policing of this editorial independence was removed from the political arena. This was clear from the statement made in the House on 9 July 1981 by my right hon. Friend the Member for Shropshire North, (Mr. Biffen), now the Leader of the House. I think that it would be quite wrong—and I have little doubt that this would be widely supported on both sides of the House—that Ministers should interfere in day-to-day matters affecting the editorial policy of great national newspapers. I have little doubt that my hon. Friend the Member for Beaconsfield, as well as hon. Members on both sides of the House would be the first to complain if Ministers started interfering in these matters. If Ministers started interfering they would no doubt do so in the name of editorial freedom. But there is a narrow line between that and ensuring or preventing the publication of views or facts of which they approve or disapprove.

Against that background, the role of my right hon. Friend, as I said earlier, is limited. He has a role to play if the conditions to the consent are broken—but only if they are broken. The conditions, as I have said, required the articles of association to be altered in certain ways. The articles were amended in those ways. I am aware of no evidence which suggests that the articles had been further amended without my right hon. Friend's consent in circumstances when such consent was required. Nor have I any evidence that *The Observer* has been transferred to another member of the Lonrho group without my right hon. Friend's consent.

It is only these matters which amount to a breach of the consent. Within the framework created by the amended articles of association, the operation of the arrangements directed at editorial independence is a matter for the independent directors, and not one for my right hon. Friend. It is up to the independent directors to agree to any dismissal or appointment of an editor. Any dispute between the editor and the proprietor is to be referred to them. The way in which they discharge these responsibilities is a matter for them and not for my right hon. Friend.

My hon. Friend the Member for Beaconsfield has described a series of stories in *The Observer* about Lonrho's attempted takeover of the House of Fraser and the eventual takeover of that company by the Al Fayed brothers. He has described the accounts given in that newspaper about the alleged role in those matters of my right hon. Friend the Prime Minister, members of her family, my right hon. Friend the Chancellor of the Duchy of Lancaster and others. I need say only that my right hon. Friends have made it clear that the allegations in *The Observer* that they behaved improperly are unfounded. Others who are mentioned in these stories may wish to take legal advice about the remedies open to them in the courts. That is a matter for them and not for me.

My hon. Friend the Member for Beaconsfield has suggested that the appearance of these stories in *The Observer* means that the editor has taken instructions from the proprietor on editorial matters. He suggests that this shows that the arrangements for editorial independence established by the consent given in 1981 are inadequate. He says that the independent directors can intervene only when a matter is referred to them; and that they cannot volunteer their good offices. He says that this is a weakness. He says that the proprietor is letting the paper lose money; and that the independent directors should play a more active role in the development of the paper's commercial policy.

These are all matters for the independent directors, not for my right hon. Friend the Secretary of State. In order for an editorial dispute to be referred to the independent directors, there has to be a dispute: and either the editor or the proprietor must acknowledge the existence of such a dispute and refer it. If one or other of them does not do so—and I say if, because I do not know whether in any particular set of circumstances one or the other has not acknowledged the existence of a dispute—that is his decision and not mine. Any set of arrangements of this kind will depend for its effectiveness on the readiness of the individuals governed by it to make use of it. There is nothing that I or my right hon. Friend can or should do to oblige them to make use of it, if and I repeat if, they choose not to do so.

As my hon. Friend the Member for Beaconsfield knows, my right hon. Friend the Secretary of State has no power to change these arrangements. His consent was applied for under the Fair Trading Act five years ago and was duly given. The matter has been dealt with and was discussed in the House at the time. My right hon. Friend has no powers to reopen the matter or to refer it at this stage to the Monopolies and Mergers Commission. The transfer has taken place. The conditions are being complied with. I have no evidence that they have been broken.

My hon. Friend the Member for Beaconsfield expresses the hope that in a future case of this kind, tougher arrangements will be made to ensure editorial independence. I do not accept that the existing arrangements are inadequate. He will understand that I will not be tempted into committing my right hon. Friend's attitude on a future occasion.

Mr. D. N. Campbell-Savours (Workington): Will the Minister give way?

Mr. Pattie: No.

Mr. Campbell-Savours: Why will not the Minister answer questions on this matter?

Mr. Pattie: I can assure my hon. Friend the Member for Beaconsfield that in any future case where editorial independence is a vital element in our decision, we will

ensure that appropriate arrangements are made to balance that consideration against the need for the newspaper concerned to flourish profitably.

11.42 pm

Mr. D. N. Campbell-Savours (Workington): I rise only briefly to intervene, although there are five minutes left in which to debate this issue.

I condemn the action of the hon. Member for Beaconsfield (Mr. Smith) in raising this debate. The only reason for it is that an attempt is being made by Conservative Back Benchers and Government Ministers to silence *The Observer* over the whole question of the takeover of Harrods by the Al Fayed brothers.

During the past four months, *The Observer* has repeatedly levelled accusations, yet none of them has been answered. Letters have been sent to the Prime Minister by *The Observer* and also by Mr. Rowland. Despite what the Minister said, there have also been repeated references in other organs of the press. The Prime Minister has refused to answer. The Order Paper is effectively blocked. Questions are being asked about the role of Sir Gordon Borrie, the Director General of Fair Trading, as to why he was willing to give permission for the takeover. He was in a crucial position, because he read the submission by Kleinwort Benson.

Much controversy surrounds the nature of the statements that the company has made on the matter. The House tonight is seeing a disgraceful attempt to shackle *The Observer* in a legitimate campaign that it is carrying out. If *The Observer* is wrong, Ministers should answer the questions. If there is a full and complete statement from the Dispatch Box by the Government on all the circumstances surrounding the takeover of Harrods, the whole matter can be brought to an end. But until that statement is made, *The Observer* will legitimately raise questions of public concern and hon. Members are entitled to persist in asking questions orally on the Floor of the House because the Order Paper is effectively blocked on this important matter.

Question put and agreed to.

Adjourned accordingly at fifteen minutes to Twelve o'clock.

House of Commons

Wednesday 18 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

COUNTY OF SOUTH GLAMORGAN (TAFF CROSSING) BILL

Ordered,

That the Committee on the County of South Glamorgan (Taff Crossing) Bill have leave to visit and inspect the site of the proposed works, provided that no evidence shall be taken in the course of such visit and that any party who has made an Appearance before the Committee be permitted to attend by his Counsel, Agent or other representative. — *[The Chairman of Ways and Means.]*

Oral Answers to Questions

TRADE AND INDUSTRY

Small Firms

1. **Mr. Bright** asked the Secretary of State for Trade and Industry what representations he has received about his Department's latest plans for reducing the burdens on small firms.

The Minister of State, Department of Trade and Industry (Mr. Peter Morrison): My Department's plans, together with those of other Departments, for reducing burdens on both small and large firms are outlined in the recently published White Paper "Building Businesses . . . Not Barriers". I have to date received no representations arising from the White Paper.

Mr. Bright: Is my hon. Friend happy that there is adequate liaison between his and other Departments of State, in particular the Department of Employment, which inherited the small firms unit? Is there still the will and momentum to rid small businesses in particular of petty burdens, which is probably the most significant factor nowadays deterring people from going into business?

Mr. Morrison: I can assure my hon. Friend that there certainly is the will and commitment to continue with a deregulation policy. My hon. Friend the Minister for Trade and I were, as my hon. Friend will appreciate, originally in the Department of Employment, so on that level there is good liaison. In addition, three Cabinet Ministers—my right hon. Friends the Secretary of State for Trade and Industry and the Secretary of State for Employment and my right hon. and learned Friend the Paymaster General — are involved in the deregulation process.

Mr. MacKenzie: Is the Minister aware that one of the biggest problems faced by small firms in Britain is that of cash flow? It would be of great practical assistance to them if he could lift the four-month moratorium on the payment of regional development grants and other forms of financial assistance to small firms.

Mr. Morrison: I hear what the right hon. Gentleman says about the moratorium, but he will appreciate that the regional development grant scheme is demand led. However, I shall look at the point that he has made.

Mr. John Browne: Does my hon. Friend accept that the greatest disincentive to the creation of small businesses, as shown in recent studies, is not a lack of capital, or indeed a lack of markets, but the administrative burdens placed on smaller businesses? Does he further accept that the Government have done a great deal in that respect already, but much still needs to be done? Will he look earnestly at and accept the recommendations of the Conservative Back-Bench small business committee?

Mr. Morrison: I agree that administrative burdens are one of the disincentives to setting up new businesses, but the other significant point is the attitude towards small businesses. My right hon. Friend the Prime Minister has changed that attitude and there is definitely a feeling that small businesses should be encouraged and persuaded to set up and to prevail and prosper. I hope that it goes without saying that we listen carefully to any proposals put by my hon. Friend and his colleagues on the small business committee.

Mr. Ashdown: Is the Minister aware that the new Data Protection Act 1984 has placed considerable burdens on small firms, especially those seeking to use the new technologies to make themselves more efficient? Has his Department made any recommendations to the Home Office on how those burdens might be reduced or simplified in favour of small firms?

Mr. Morrison: I am aware of the concern that the hon. Gentleman has raised, but, as he will appreciate, we must conform with what our European colleagues have agreed. However, the matter is kept under review.

Mr. Brandon-Bravo: As my hon. Friend will not reach Question 26 on the Order Paper this afternoon on precisely this subject, may I ask him whether he plans to make any changes in the accountancy rules for small businesses?

Mr. Morrison: My hon. Friend is a pessimist in these matters. I hope we can progress speedily and that we shall reach Question 26. My hon. Friend the Parliamentary Under-Secretary of State has direct responsibility for these matters and I expect that he will make an announcement in the not-too-distant future.

Mr. Eastham: When, in due course, the Minister considers these matters, will he also consider the matter of selective assistance in cases where grants are not mandatory? Some firms fill in forms for civil servants, wait about six or seven months and then find that they do not qualify for grants. Is it not about time that we did something about this?

Mr. Morrison: The hon. Gentleman raises a perfectly fair point. He probably realises, just as the House realises, that a review of regional grants and regional selective assistance is currently taking place. We are certainly looking at the precise point that he has mentioned. By and large, I receive many more plaudits than criticisms. Of course, there may be the odd reason for criticism. As I say, we receive mainly plaudits because the officials in my

Department and in the regional offices are generally speaking, considered by all and sundry who apply for grants to be efficient and helpful in the processing of the necessary forms.

Mr. Thurnham: May I ask question No. 24? I hope that we shall reach question No. 24. May I ask my hon. Friend to have a word with his right hon. and learned Friend the Solicitor-General about the provisions of the Latent Damages Bill which require firms to keep records for 15 years? Does my hon. Friend not agree that that is an excessive period for small engineering and other firms?

Mr. Morrison: I am hopeful that we shall reach question No. 24. My hon. Friend asked about the Latent Damages Bill. I do not pretend to be expert on that, but of course I shall raise the matter with my right hon. and learned Friend the Solicitor-General, and no doubt he and my hon. Friend could discuss the matter further.

Mr. John Smith: In expressing our understanding of the very sad reason why the Secretary of State is not able to be with us today, may I ask the hon. Gentleman to express to the Secretary of State and his family our very deep sympathy and condolences?

Mr. Morrison: I am most grateful to the right hon. Gentleman for what he said, and I shall certainly pass on his message.

Postal Services

2. **Mr. Peter Brunivels** asked the Secretary of State for Trade and Industry whether he has any plans to end the Post Office's monopoly for the handling and delivering of mail.

The Minister for Information Technology (Mr. Geoffrey Pattie): No, Sir, but I remind my hon. Friend that there is already free competition for the collection and delivery of all mail, except inland letters charged at less than £1.

Mr. Bruinvels: Although the Post Office has become more efficient and more profitable, surely my hon. Friend will accept that its suggestion to increase the postage rates by another penny when it cannot deliver more than 87·6 per cent. of post the next day is not exactly good news? Should not alternative services be offered? Is that not what the Conservative Government believe in?

Mr. Pattie: The first point I make to my hon. Friend is that the chairman of the Post Office has given preliminary notice to the chairman of the Post Office Users' National Council that he is considering a rise of 1p for first and second-class mail. It is worth reminding the House that after inflation is taken into account, the first-class tariff is now about 13 per cent. lower than it was in 1981 and the second-class tariff is 26 per cent. lower. When one sets that against the quite considerable efficiency that the Post Office achieves, it shows that the Post Office does not have a bad record.

Mr. Key: My constituents reckon that the service is between 13 and 26 per cent. worse than it was some years ago. Although the expensive advertising campaign of the Post Office seeks to persuade us that inter-city postal services are very good, postal services in rural areas such as south Wiltshire have declined considerably. That is just not good enough.

Mr. Pattie: Although I sympathise with my hon. Friend's point, I have to say that everybody tends to be aware of postal letters or packets that do not arrive and to take completely for granted the letters that do arrive and which form the vast proportion of the mail. I am sure that the chairman of the Post Office will avidly read this exchange in *Hansard* and will note my hon. Friend's remarks.

Computer Research

3. **Mr. Wainwright** asked the Secretary of State for Trade and Industry what is Her Majesty's Government's policy towards the new round of funding for computer research, ESPRIT II, proposed at the recent European Economic Community in Luxembourg.

Mr. Pattie: We have not yet received formal and detailed proposals for ESPRIT II, but we have made clear, in the Research Council, our strong support for programmes like ESPRIT which promote the competitiveness of European industry.

Mr. Wainwright: How do the Government propose to recover the ground on computer research and development which has already been lost to Japan and the United States? They will be unable to do so as long as they continue to spread thinly the relatively modest resources that they have put aside covering projects such as EUREKA, RACE, Alvey I and possibly Alvey II as well as ESPRIT. Would it not be much better to concentrate on the one scheme that is Communitywide and that would put the resources of Italy, Benelux, Spain, Denmark, and so on behind us?

Mr. Pattie: The hon. Gentleman's question indicates, dare I say, a lack of depth on this matter. Those projects are not alternatives. There is no point in suggesting that we should concentrate entirely on a European programme if we do not at the same time maintain a reasonable national capability to complement that European activity.

Mr. Dalyell: I agree that there should be some depth in these matters, ! ut have the Government reached any judgment about the effect on the ESPRIT programme of British and European participation in the strategic defence initiative programme?

Mr. Pattie: The short answer is no. The time scales involved are rather different. Participation in SDI envisages participation in various technology programmes which look at much longer-term requirements than the ESPRIT II or even ESPRIT I programme would involve.

Mr. Geoffrey Robinson: Will the Minister confirm that he is resisting Treasury pressure to treat every departmental contribution to European programmes as alternative funding that therefore involves a cut in national funds? The hon. Gentleman says that we must have a reasonable level of nationally-funded operations, but does he realise that unless we have very full funding for our national programmes we shall not be able to participate effectively in the European programmes? Will he therefore give an assurance that our contribution to Europe will not be made at the expense of United Kingdom programmes, and at the expense, in particular, of Alvey II?

Mr. Pattie: I am happy to confirm that. As I said in response to the hon. Member for Colne Valley (Mr. Wainwright), we are not talking about alternative or substitutional activities. It is important to put that on the record.

Ferguson Ailsa

4. **Mr. Foulkes** asked the Secretary of State for Trade and Industry what proposals he is now considering for the Troon yard of Ferguson Ailsa.

Mr. Peter Morrison: We have accepted British Shipbuilders' decision that the operations at the Troon yard of Ferguson Ailsa should cease once the present order book is complete. I understand that British Shipbuilders is now seeking potential buyers.

Mr. Foulkes: Is the Minister aware that when the right hon. Member for Ayr (Mr. Younger), the Secretary of State for Defence, recently visited the Ailsa yard at Troon he made two specific promises: that the Government would examine what orders, and particularly Ministry of Defence orders, might be brought forward; and that the Government would consider the report of the consultants Planning Industrial and Economic Development Advisers and the possibilities in it for the Troon yard? Will the Minister confirm that the right hon. Member for Ayr was speaking on behalf of the Government when he made those two pledges? When will we have a report on the result of those two promises? How will discussions now be undertaken with British Shipbuilders to ensure that it is aware of the implications of the right hon. Gentleman's promises?

Mr. Morrison: As the hon. Gentleman takes a close interest in this matter, he will appreciate that my right hon. Friend the Secretary of State for Defence always speaks on behalf of the Government. The hon. Gentleman will also be aware that the remarks that I and my right hon. Friend made during the debate on shipbuilding were concurrent.

Mr. Lambie: Despite the Minister's original answer and British Shipbuilders' decision to close the Troon yard, if Ferguson Ailsa wins another order will the Minister lean heavily on British Shipbuilders to ensure that the order is built at the Troon yard so that both yards can be kept open?

Mr. Morrison: The hon. Gentleman has attended our shipbuilding debates and he will appreciate that such decisions are for British Shipbuilders to make. It is for it to decide in which yards to place orders. However, I listened carefully to the hon. Gentleman.

Mr. Sayeed: Though the difficulties of Troon are similar to those of other yards that are owned by British Shipbuilders, there being twice as many modern ships as there are cargoes to fill them, is there not a case for ensuring that ships and cargo rates are not dumped on the market by countries outside the EEC which are subsidising their shipbuilding and freight rates to such a great degree that British Shipbuilders and British shipping companies cannot compete?

Mr. Morrison: The simple answer to my hon. Friend is yes. That is precisely what we are discussing at the Council of Ministers for a successor to the fifth directive.

Westland Helicopters

6. **Mr. Dalyell** asked the Secretary of State for Trade and Industry what meetings his predecessor, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan) had with officials on the morning of 24 January in relation to the Westlands affair; what was the purpose of the meetings; and what conclusions were reached as to the action his predecessor should take.

Mr. Pattie: My right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) held several meetings on the morning of 24 January. Some of these related to Westland, and some were attended by officials. His meetings on Westland were held to inform himself of latest developments.

Mr. Dalyell: Is it conceivable that civil servants of the quality and integrity of Sir Brian Hayes would have advised the then Secretary of State to remain in office if they had thought that the full story had been one of deception by their Secretary of State of their Prime Minister and of themselves for over a fortnight? Is it not clear from Linklater and Leigh in "Not with Honour" and from other information that the strands of the spider's web led to No. 10 Downing street? Is not the lawyer's letter the real reason why the House did not have Friday 6 June?

Mr. Pattie: The hon. Gentleman will know that all questions relating to advice offered by an official to a Minister are confidential. Any matters that he cares to deduce from the book that he has mentioned or any other work is entirely a matter for him.

Mr. John Smith: Is the Minister aware that in the book to which my hon. Friend the Member for Linlithgow (Mr. Dalyell) referred, while it is said that civil servants counselled the former Secretary of State, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan), to stay, the politicians present, who presumably included the Minister, gave contrary advice? Was that contrary advice — namely, that the former Secretary of State should resign — coloured by their knowledge of the machinations which had gone on both in the Department of Trade and Industry and at Downing street over the discreditable Westland affair?

Mr. Pattie: As it happens, I was chairing a seminar in the lower parts of the Department at that time. Therefore, I am unable to speculate on any of the reasons that any of my colleagues might have had for the statements that they made.

Export Statistics

7. **Mr. Chapman** asked the Secretary of State for Trade and Industry what is the combined total value of United Kingdom exports for 1985 to China, Czechoslovakia, East Germany, Pakistan, Romania, Saudi Arabia and the Union of Soviet Socialist Republics.

The Minister for Trade (Mr. Alan Clark): United Kingdom exports to these countries amounted to £2·7 billion in 1985.

Mr. Chapman: As these countries are just some of those which on any criteria cannot be called free and democratic, will my hon. Friend confirm that Britain does much trading with undemocratic countries and countries with oppressive regimes? In considering the morality of trading with South Africa, should not the Government in all consistency examine their trading policies with at least some other evil and undemocratic countries?

Mr. Clark: My hon. Friend raises an interesting point. Censorship, judicial execution—in many places in public

—and imprisonment without trial are all characteristics of the countries that he mentions and a number that he does not. Were these elements to be a bar to normal trading relations, our trade would be even more circumscribed than it looks like being at the present, but such judgments are a matter for my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs.

Mr. Madden: Has the Minister any information that the Government of Saudi Arabia are seeking to restrict travel by British citizens to Saudi Arabia to two airlines, British Caledonian and Saudia?

Mr. Clark: I have no such information, but I suggest that the hon. Gentleman addresses his queston to my hon. Friend the Minister of State, Department of Transport on the next appropriate occasion.

Mr. Alexander: Did my hon. Friend see the reported comment this week by Mr. Jing Shupeng of the China International Trust and Investment Corporation Ltd. that British businesses were losing out because they were too expensive? Does that not underline the Government's concern that our businesses have far too heavy overheads and are still not really competitive in world markets?

Mr. Clark: There are a number of things that can contribute to a non-competitive cost in a business tender. Certainly Her Majesty's Government are doing their best to compensate for that by the soft loan facility which offers finance to projects in China at an extremely high level of subsidy.

Mr. Ashdown: Is the Minister aware that British high-tech trade to the Eastern bloc countries since the late 1970s has halved to £40 million and, at the same time, the United States high-tech trade to Eastern bloc countries has increased eight times since 1981, to $2 billion and is forecast to double again next year? When will the Government stand up to attempts by the United States to control British high-tech trade by using United States law in Britain, since it is now clearly being used to advantage the United States and disadvantage the United Kingdom high-tech industry?

Mr. Clark: There is a great deal in what the hon. Gentleman says and I regret this state of affairs very deeply. Her Majesty's Government are always ready to protect those firms which wish to resist——

Mr. Ashdown: Wet.

Mr. Clark: It is not that. I cannot put it in any stronger language. Her Majesty's Government are always ready to resist claims of extra-territoriality on the part of the United States, but in each case it has to be left to the commercial judgment of the firm concerned. If it is the firm's judgment that by so doing its status in relation to its primary supplier will be altered and damage its commercial prospects, who are we to override that?

Mr. Thurnham: Does my hon. Friend agree that it is best for individual traders to decide with whom they would like to trade rather than for Governments to attempt to impose sanctions?

Mr. Clark: Indeed, I welcome that. If traders make that choice and ask for our protection they will have it.

Oil Prices (Economic Effects)

8. **Mr. Kennedy** asked the Secretary of State for Trade and Industry what is his most recent assessment of the impact of lower oil prices on the manufacturing and exporting base of the United Kingdom economy; and if he will make a statement.

Mr. Peter Morrison: Lower oil prices will benefit United Kingdom manufacturing and non-oil exports. They will provide the non-oil sector with a great opportunity to build on the substantial gains of the past five years and to expand output further.

Mr. Kennedy: I thank the Minister for that reply. However, does he agree that his Department must remain concerned about the effect that that will have specifically on the oil sector and the oil-related sector? Will he give his Department's view of the fact that the Chancellor based his entire Budget strategy on an average oil price levelling out this year at about $15 a barrel, but that the Scottish Development Agency has carried out a computer projection which has shown that if even that price is attained and persists it will lead to a 40 per cent. cut in spending by oil companies, with all the attendant catastrophic effects which that will have on the Scottish economy? What action does he propose to take?

Mr. Morrison: The hon. Gentleman asked a direct question as to whether I still agree with the analysis in the Chancellor's Budget statement in terms of manufacturing output being at around a 3 per cent. increase this year. The answer is yes. I would expect the two to match each other. Therefore, I think that the Scottish economy can gain. The hon. Gentleman makes the point. For the oil sector there will be a compensation the other way round.

Mr. Charles Wardle: Does my hon. Friend agree that the competitive advantage of lower fuel oil costs will quickly be squandered if pay claims in manufacturing industry continue to be settled at levels above the rate of inflation?

Mr. Morrison: I agree with my hon. Friend. Ultimately, the increase in better productivity—and to be fair we have had much better productivity during the past five years—is the key to an expanding manufacturing sector and the ability to gain or regain markets.

Mr. Williams: Does the Minister agree that it will be tragic for this country if, when the long-awaited upturn in world trade at last takes place as a result of the collapse in oil prices, we see yet another aspect of the Government's wanton destruction of manufacturing industry in their complete failure to invest oil revenue, so that we lack the breadth of industrial base to take advantage of the upturn? Do the Government not feel at all guilty over the fact that in the event of an upturn we shall be mere spectators and the new wealth and the new jobs will go to our competitors?

Mr. Morrison: The right hon. Gentleman is being his usual pessimistic self. He will recall that a Select Committee report in another place predicted gloom and doom in the event of a substantial drop in the price of oil, but no one could have anticipated that that drop would take place in such a short period. Nevertheless, the outlook for the manufacturing sector remains extremely good.

Mr. Kenneth Carlisle: Does my hon. Friend agree that our main competitors will also benefit from lower costs so

it will not be so easy for us? Heavy engineering uses a great deal of energy. Will he impress on the Secretary of State for Energy that it is crucial that energy costs to industry in this country should fall by at least as much as for our competitors in other countries?

Mr. Morrison: I agree with my hon. Friend that we live in an international market-place so we must ensure that our productivity gains are as good as, if not better than, those of our international competitors. I also agree that the cost of energy, especially for heavy users, is a key element in that productivity.

Mr. Wilson: Given the previous concentration of the oil industry in Scotland, is it not simplistic for the Minister to assume that any of the benefits of lower oil prices will extend to the Scottish economy in view of the spending cuts that have taken place? Will he consult the Scottish Development Agency for an assessment, and if it is shown that Scotland will suffer particularly adversely as a result of the fall in oil prices will the Government restore the cuts in regional aid that they made two years ago?

Mr. Morrison: I assure the hon. Gentleman that, with my responsibilities for regional policy, I keep closely alongside the Scottish Development Agency. He should be aware that at present the agency is looked upon eagerly and with some envy for its great success and ability to attract new industries to Scotland, and I congratulate it on that.

Unfair Trade Unit

9. **Mr. Sumberg** asked the Secretary of State for Trade and Industry if he will make a statement about his Department's new unfair trade unit.

17. **Mr. Stanbrook** asked the Secretary of State for Trade and Industry if he has any plans to take steps to improve the way in which complaints by British firms about unfair trading practices by foreign competitors within and without the European Community are dealt with by his Department; and if he will make a statement.

Mr. Alan Clark: On 13 May I announced the formation of the unfair trade unit to co-ordinate work on complaints about all forms of unfair practices in international trade. I intend the new unit to enable the Department to respond more quickly to such complaints. The establishment of the unit does not represent any change in policy away from open international trade and towards protectionism.

Mr. Sumberg: While I welcome my hon. Friend's reply and the establishment of the new unit, which I believe will have a useful part to play, may I ask whether he is aware that many business men, and especially those in the paper industry in my constituency, feel that they are suffering as a result of unfair foreign trade practices but are not sure how to tackle the problem and to whom they should go for advice? What support can my hon. Friend offer business men in general and the paper industry in particular?

Mr. Clark: That is precisely the kind of instance for which the new unit has been set up. Unfair trading can arise from a number of sources—as a result of dumping, for which there are recognised procedures, as a result of subsidies, agency arrangemens in restraint, counterfeiting, and so on. If my hon. Friend's constituent will write to the Department the matter will be referred to the unit and he will receive immediate advice on appropriate steps to try to obtain redress.

Mr. Stanbrook: Is my hon. Friend aware that many British firms are mystified as to what to do about unfair competition from abroad? Even Government Departments seem to be unaware of the facilities that can be offered by the unfair trade unit and its predecessor. They are not co-ordinated in Brussels, so often the reaction there to a complaint is indifferent and off-putting. Will my hon. Friend assure us that this unit will adopt a public identity that will counteract the previous tendencies of other Government Departments, and will he ensure that it gets all the resources that it needs?

Mr. Clark: Certainly that is my intention. I am grateful to all my hon. Friends for allowing me to publicise this in the Chamber. The anti-dumping unit was concerned only with the narrower question of dumping. The unfair trade unit has been expanded and is intended precisely to embrace all the different aspects of unfair trade that in many cases baffle business men. As my hon. Friend has said, they do not know how to start correcting them. I hope that all my hon. Friends and all Opposition Members will take note of the existence of the new unit and will encourage their constituents to refer cases to me so that I may pass them on to the unit for immediate investigation.

Mr. Janner: Is the Minister aware that one of the unfair trade practices that baffles the public is that which allows mountains of food and lakes of drink to accumulate when people are starving? Will this unit deal with that source of unfairness, or turn a blind eye to it?

Mr. Clark: The unit is concerned with imports.

Mr. Spencer: Is my hon. Friend aware of the reprehensible practice of some foreign companies of cross-subsidisation between subsidiaries to conceal the true cost of their products? A textile manufacturing firm in my constituency called Bentley Engineering has been hit particularly by this reprehensible practice.

Mr. Janner: It is in my constituency.

Mr. Spencer: Can my hon. Friend assure us that such activity will be within the purview of the unit?

Mr. Clark: Certainly it will be considered. Such activity is difficult to trace, for obvious reasons, but I should not want a case not to be referred to the unit simply because it seemed to be too difficult or elusive. I should be glad if my hon. and learned Friend would write to me about that.

Mr. Wainwright: Does the Minister agree that in order to extend the freedom of international trade it is essential to have strong defences against economic warfare conducted against us by contries where export trading is in the hands of the state? If so, can he reassure the House that his welcome unfair trade unit will not be handicapped and shackled by crude numerical reductions in the manpower of the Civil Service?

Mr. Clark: I can assure the hon. Gentleman that I shall do my best to ensure that that does not happen. I do not see any sign of it.

Mr. Beaumont-Dark: Does my hon. Friend agree that for six years we have been promised that the country that indulges in more unfair trade practices than any other country on the face of the earth, Japan, would be dealt

with? Does this mean that at long last those promises will become fact and that the Japanese will have to compete fairly rather than being allowed to destroy one high-tech industry after another when it does not suit them to have competition? Will they keep their word at long last?

Mr. Clark: Whether they keep their word is a matter for them. Certainly those who have doubts that they may should be fortified by the promulgation of the unit. Indeed, I expect that imports from Japan are likely to be among the first to feature in the programme. The two successful anti-dumping cases in the last year both related to Japanese products.

Japan

11. **Mr. Pollock** asked the Secretary of State for Trade and Industry what steps are being taken to follow up the initiative of the Prime Minister at the Tokyo summit when she pressed the Japanese Prime Minister to remove the tax-duty discrimination faced by Scotch whisky bottled in Scotland.

Mr. Alan Clark: We are continuing to press strongly for the removal of Japanese discrimination in the tax and duty facing Scotch whisky and other imported alcoholic drinks. The European Community is to have further talks with the Japanese shortly, and we continue to take every opportunity to press the case bilaterally.

Mr. Pollock: Although I am encouraged by that reply, may I ask whether the Government made it clear to the Japanese authorities that their grading of liquor taxes represents a tax on quality, and therefore discriminates strongly and unfairly against this unique quality product from Scotland? Has it been pointed out to the Japanese that if we were to indulge in similar fiscal tactics against Japanese products, which are equally strong in their market sector, that might be a lesson which they would begin to understand?

Mr. Clark: I agree with my hon. Friend about the quality of Scotch whisky. The Japanese practice of grading alcoholic drinks is practically impossible to define in any sense which makes it possible to contest it. For example, Bourbon whisky is rated lower in duty terms than Scotch whisky, although the price is the same. My suspicion is that this relates more to political relations between Japan and the United States than to some abstruse factor in the grading.

Mr. Kennedy: Will the Minister give more information about the state of the welcome bilateral pressure to which he referred? Which of our European allies are being more helpful to the United Kingdom and the constituency needs of the hon. Member for Moray (Mr. Pollock), myself and others north of the border, and which are being less helpful in regard to this disgraceful exhibition of protectionism and disincentive against a United Kingdom export to Japan?

Mr. Clark: While the Community is putting together a case to take to the general agreement on tariffs and trade, it would be invidious of me to differentiate between those which are in favour and those which have reservations. The House knows that, regrettably, we are to some extent circumscribed in the multilateral trading system by being a signatory of the treaty of Rome and by the GATT. In the last resort, when those inhibitions continue to restrict action and abuse continues without adequate control or compensation, and if we cannot get the support of our Community partners in a European initiative, we would certainly have to consider unilateral action.

Mr. Bill Walker: My hon. Friend will be aware that there are many products that can be described as quality products and that they can be manufactured anywhere, but that Scotch whisky is unique and can be manufactured only in Scotland. It is the product of Scotland and is regarded by the Scots as their flag bearer, as 90 per cent. of the product is exported. If the Japanese are allowed to get away with the practices in which they have indulged recently, others might decide to follow, and that could be very damaging for the Scottish industry.

Mr. Clark: My hon. Friend is right. Discrimination also exists in Korea and we are doing our best to correct that. When, two weeks ago, I was in Korea, I had talks on this subject. My hon. Friend will be glad to hear that I found the Koreans more receptive to our view than the Japanese have so far managed to be.

Mr. John Smith: The Minister told us a little while ago that his judgment is that the Japanese are exercising political discrimination in favour of the United States in respect of Bourbon whisky and, presumably, political discrimination against the United Kingdom in respect of Scotch whisky. Will he tell us what political action the Government intend to take?

Mr. Clark: I should have thought that there was very little that we could do, short of increasing our gross national product to approximately the same level as that of the United States. The right hon. and learned Gentleman knows perfectly well that there is a special relationship, if one can use that phrase without being discourteous, between Japan and the United States, and I believe that the arrangement is in recognition of that. If we had the clout, I do not doubt that the Japanese would accede immediately. The fact is, however, that there is no comparison between the leverage which the United States can exert on Japan and that which we can exert.

Manufacturing Industry

12. **Mr. Knox** asked the Secretary of State for Trade and Industry what is the most recent figure for output in manufacting industry; and how this compares with the figure for the same month six years ago.

Mr. Peter Morrison: Manufacturing output in April 1986 is estimated at 104·4 based on the 1980 average of 100. This is 1 per cent. higher than in April 1980.

Mr. Knox: Is my hon. Friend not concerned that manufacturing output has not only fallen over the last six years but that it is substantially lower than it was in 1973? Is he aware that 1973 was 13 years ago, and can he think of any comparable period since the industrial revolution when manufacturing output in this country fell?

Mr. Morrison: I am aware that manufacturing output fell between 1973 and 1979 by 4 per cent. — the five years of the last Labour Administration. However, in the last five years, output has increased by 11 per cent.

Mr. James Hamilton: Contrary to what the Minister has said, according to the CBI there has been a dramatic fall in manufacturing output, and without a booming

manufacturing industry other jobs fall by the wayside. Will the Minister re-phrase his answer to his hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) and give the exact figure?

Mr. Morrison: I am quite happy to give the exact figure. Manufacturing output continued to fall from 1979 to 1981, which means that the current level is below the 1979 level. I am concerned. However, during the last five years, output has increased by 11 per cent.

Mr. Grylls: Does my hon. Friend agree that the problems of manufacturing industry in the late 1970s and early 1980s were almost directly the result of the hyper-inflation from which this country was suffering? Surely the best help for manufacturing is to get ourselves competitive and to keep inflation down to the level that this Government have achieved.

Mr. Morrison: I certainly agree with what my hon. Friend has said, but one could add several other elements. Perhaps it had something to do with very low productivity and the fact that strikes were very much to the fore during that period. That has a lot to do with output going down. Equally, now that the strike record is a lot better, it has a lot to do with output going up in a very satisfactory way.

Mr. Hardy: Does the Minister not agree that the position in the last seven years has been the worst in British history since records began? Does his concern take him so far as to analyse the position in competing countries? If so, does he not accept that Britain's record is far worse than that of our competitors and that the competitors who have fared very well indeed have been those whose Governments have taken an entirely different approach from that adopted by the present United Kingdom Administration? Does he not think that there are lessons to learn from our competitors?

Mr. Morrison: As the hon. Gentleman will have heard in an answer to a previous question, I am always concerned about our relative position in the international market place. I agree that we must look very carefully indeed at our Japanese, German and United States competitors and, where we can, learn lessons. I am sure the hon. Gentleman will also note that since 1980 we have had a 30 per cent. increase in output per head. That is a very satisfactory base on which to build.

Mr. John Mark Taylor: Does my hon. Friend agree that the figures he has just quoted might be even better if there were a little more sympathy and compatibility between VAT deadlines and actual trade credit? Will he have a word with industry and his right hon. and hon. Friends at the Treasury to see whether they can improve cash flow in business?

Mr. Morrison: As my hon. Friend would expect, I am always concerned to convey to my right hon. and hon. Friends at the Treasury particular aspects that bear directly on how they are able to operate in industry, and I shall certainly take his comments on board.

Mr. Williams: Does the Minister recollect that world trade in manufactures has increased by more than 17 per cent. since this Gove nment came to office? Will he now give us the figure which until now he has so coyly avoided? How much lower is manufacturing output today than it was in 1979?

Mr. Morrison: I am not avooiding it. In fact, I had not been asked that question until the right hon. Gentleman put it to me. There has been a fall of 6 per cent. since 1979. I know that the right hon. Gentleman does not like the good news, but he will appreciate that the major fall happened in the first two years, and since then there has been a very significant increase over the following five years.

Mr. Neil Hamilton: Does my hon. Friend agree that output in manufacturing industry would be much higher if British manufacturing industry were even more competitive than it is now? One factor in that is the unrealistic increase in wages that has taken place in recent years. Does my hon. Friend agree that if the representatives of manufacturing industry spent less time wailing about factors beyond their control, such as interest rates and exchange rates, and more time considering matters within their control, such as wage rates, the state of British manufacturing industry would be much better?

Mr. Morrison: I agree in part with my hon. Friend, but I do not think that the picture is as black as he likes to paint it. Obviously I agree with his main premise that the better the productivity, the greater the output. From my visits to every part of the country I know that productivity gains in many companies, both old and new, are significant. In those companies employment is now secure, whereas it was not secure seven years ago.

Foreign Goods (Dumping)

13. **Mr. Hayes** asked the Secretary of State for Trade and Industry what his Department is doing about the dumping of foreign goods in the United Kingdom.

Mr. Alan Clark: Anti-dumping action is the responsibility of the European Commission. My Department works closely with United Kingdom industry on the preparation of complaints in order to ensure that appropriate protection is given against unfair competition.

Mr. Hayes: This is all very well and interesting, but is my hon. Friend truly satisfied that the anti-dumping process is sufficiently rapid and effective? If he is not, what will he do about it? Many of my constituents are sick to death of trying to trade with one arm tied behind their backs.

Mr. Clark: I would like it if my hon. Friend could give me specific instances rather than say that a number of his constituents are trading with one arm tied behind their backs. I am keen to help them. It is my principal purpose in this position to assist firms that have suffered from handicaps of this type. If he cares to give me the details, I will see what can be done. I agree that at present the procedures are rather cumbersome and long drawn-out, and that in many cases the onus of proof is higher than one would like, especially in regard to proving injury, but to some extent we are the captive of Community and GATT rules. To say that nothing is being done is unfair. At present we are involved in 14 cases and further cases are under review. If my hon. Friend passes his constituents' cases on to me, I do not doubt that we shall have some more.

Mr. Haynes: Is the Minister aware that I am aware that the Government are not doing very well on this problem? I realise that the Minister is trying his best to renegotiate

the multi-fibre arrangement, but with the Government's attitude it appears that anybody can come from anywhere in the world and dump what they like on these shores. It is about time the Treasury Bench applied for the Chiltern Hundreds.

Mr. Clark: I am obliged to the hon. Gentleman, as I am to all hon. Members who express their indignation at what is going on in the so-called international free trading arena. I accept much of the argument that they put to me. Will they give me the benefit of the doubt in the sense that the unfair trade unit itself has been in existence for less than a month and I am doing my best to correct these cases? However, I depend on hon. Members for reference of individual cases. The unit is set up, the personnel are there and we are ready to examine in detail every case that is referred to us.

Sir Anthony Grant: If my hon. Friend wants a specific incident, is he aware that at present in docklands there is a large silo of cement which the Greeks are seeking to dump on the British market? Is he aware that that would cause great harm to British makers of cement, such as Rugby Portland Cement in my constituency? Will he look into the matter and do his best to ensure that an anti-dumping application is pursued with all due vigour in Brussels?

Mr. Clark: I am grateful to my hon. Friend. The House must forgive me if I read. It is the first time this afternoon. Both my Department and the Department of the Environment have maintained close contact with the cement industry and are fully aware of the concern expressed at the threat from an increased level of low price imports. The European Commission has completed the necessary investigation and a formal announcement of its findings is expected shortly.

Manufactured Goods

14. **Mr. Canavan** asked the Secretary of State for Trade and Industry what is the most up-to-date state of the United Kingdom balance of trade in manufactured goods.

Mr. Pattie: In the three months ended April there was a deficit of £1·1 billion.

Mr. Canavan: Does the Minister not have an iota of shame in him when he stands at the Dispatch Box month after month giving an appalling account of his stewardship? Does the Minister realise that if he were in charge of an industrial manufacturing company he would be sacked for gross incompetence and dereliction of duty?

Mr. Pattie: I offer the hon. Gentleman and the House some figures which I think will assist the hon. Gentleman in taking a sensible view of the matter. In 1970 the value of exports of manufactures was 50 per cent. higher than imports. In 1985 the value of exports of manufactures was 10 per cent. lower than imports. Over that 15-year period there had been a decline. The hon. Gentleman will be aware that British consumers had formed the view that British-produced goods were not well enough produced, well enough designed, properly priced or adequately supported by after-sales service. They had voted with their cheque books and bank accounts to buy imported goods. That is the criticism of the manufacturing industry.

Mr. Robert Atkins: Is my hon. Friend appreciative of the detrimental effects on the balance of trade if British Airways buys American engines rather than Rolls-Royce engines? In the circumstances, will he convey to the chairman of British Airways that hon. Members feel strongly that Rolls-Royce should get the order, in the interests of the British aerospace and aero-engine industry?

Mr. Pattie: I am sure that the chairman of British Airways reads the *Official Report* with the same attention as the chairman of the Post Office, to whom I referred earlier. I hope that he will read the opinion by my hon. Friend. We are in close touch with the Department of Transport on the matter and we hope for a satisfactory outcome.

Mr. John Smith: I thought that I heard the Minister say in an earlier answer that the deficit in the first quarter of 1986 was £1·1 billion. If that is correct, is it a revision of the figure of £1·4 billion, which is in the latest statistics issued by his Department? In addition, will the Minister tell us why he thinks it is adequate to blame British industry for the deficit in our trade and to accept no responsibility whatsoever for the policies of the Government, which have been deeply inimical to the success of British manufacturing industry?

Mr. Pattie: Yes, I will. I attempted to give a 15-year view of the fact that the manufacturing capability of this country appears, over that period — under successive Governments — to have been unable to meet the requirements of a variety of different markets both abroad and in this country. Therefore, companies find that their prospects and sales diminish and some go out of business. Then we have complaints from the hon. Member for Falkirk, West (Mr. Canavan). The answer is to follow policies, which the Government are doing, which improve the competitiveness of companies in this country so that their products and services will be more attractive.

Information Technology

15. **Mr. Phillip Oppenheim** asked the Secretary of State for Trade and Industry whether he is satisfied with the present level of encouragement given by the information technology and electronics based industries to information technology training and skill development in education.

Mr. Pattie: I welcome the steps taken by some leading firms to promote the provision of relevant education and training. But, as my hon. Friend pointed out in his recent study, there is room for industry to collaborate much more with the education system at all levels to meet skill requirements.

Mr. Oppenheim: I thank my hon. Friend for his reply. Is it true that the plethora of Government schemes, some of them run by the Department of Employment and some by his own Department, and the plethora of training schemes run by private industry are, in many ways, confusing? Is it not time that the Department of Trade and Industry, the Department of Employment, and industry tried to get together to work out some national system of training on the German model?

Mr. Pattie: I do not know whether the German model is necessarily the best one to follow. There is a great deal of activity at present. Industry has set up the information technology skills agency and yesterday the ACARD report on the future of the software industry in the United

Kingdom was issued. One of the report's main recommendations was that British industry should place major emphasis on training, which is very much to be welcomed.

Mr. Geoffrey Robinson: Is the Minister aware that the ACARD report, which no doubt he has read——

Mr. Pattie *indicated assent.*

Mr. Robinson: I am pleased that the hon. Gentleman has read it. Is he aware that, reading between the lines, the report amounts to a terrible indictment of the Government because of their neglect to provide real support measures for the software industry? That sector is growing even more rapidly than the information technology industry as a whole. For example, in 10 years' time, 40 per cent. of IBM's total revenue will come from software sales. Is the hon. Gentleman aware that urgent action needs to be taken by the Government? We want not words from him but action by his Department.

Mr. Pattie: I wonder whether the hon. Gentleman has been reading the same report. The report's analysis is substantially in line with the measures that we are already taking. The report contains interesting ideas. In line with our response to all ACARD reports, we shall consider this one carefully and, no doubt, report in the autumn.

Exports (Departmental Assistance)

16. **Mr. Hirst** asked the Secretary of State for Trade and Industry what steps his Department is taking to assist British industry to secure major export contracting and other orders.

Mr. Peter Morrison: My Department provides a wide range of services for all exporters through the BOTB and ECGD. For the larger orders these can include assistance towards the cost of bidding as well as support with financial packages.

Mr. Hirst: I thank my hon. Friend for that reply. Is he aware that British Shipbuilders is pursuing a large order from China which, if won, would result in vessels being built at Govan Shipbuilders, a successful yard on the Clyde where a number of my constituents work? Will my hon. Friend assure me that his Department will spare no efforts in enabling British Shipbuilders, and ultimately Govan Shipbuilders, to be successful in winning this important order?

Mr. Morrison: I assure my hon. Friend that I am aware of what British Shipbuilders is doing in trying to get that order from China. I can give him the assurance also that the Department is doing everything possible to help British Shipbuilders to secure that order. I shall personally keep closely in touch on this matter.

Ministerial Statements

Mr. Speaker: Private notice question. Mr. Denzil Davies.

3.31 pm

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): On a point of order, Mr. Speaker.

Mr. Speaker: Is it directly connected with questions?

Mr. Beaumont-Dark: It is directly connected with this whole matter, Sir.

Mr. Speaker: Which whole matter? We have not considered it yet.

Mr. Beaumont-Dark: This afternoon, Mr. Speaker, we shall have four items, either private notice questions or ministerial statements. On average, they will take half an hour each, which means that the main debate, for which the House has prepared itself, is not likely to start until 5.30 pm. Bearing in mind that at least three of these items are not of such monumental importance that they could not be dealt with on another day, why is it that on some days we have no statements, although the House must know that such issues will be brought up, yet today we are to have four statements, which means that an important debate cannot start until at least 5.30 pm? Who makes up his mind about this nonsense?

Mr. Speaker: It is not my decision. It is a matter for the Leader of the House.

Royal Ordnance Factories

3.32 pm

Mr. Denzil Davies (Llanelli) *(by private notice)* asked the Secretary of State for Defence if he will make a statement on his decision to halt the sale of the ROFs.

The Secretary of State for Defence (Mr. George Younger): The House was informed last October that, subject to the normal caveats of trading performance and stock market conditions, we hoped that Royal Ordnance plc would move to the private sector in mid-1986. Since then, planning has been in train for a stock market flotation this summer. As I announced to the House in a written answer yesterday, however, although substantial progress has been made in the process of transforming Royal Ordnance into a fully fledged commercial entity, it has not been possible to take this far enough and to have in place all the features necessary to provide the basis for a successful flotation this summer. It remains my intention to privatise Royal Ordnance, and I am giving further consideration to the means of achieving this.

Mr. Davies: To the right hon. Gentleman's discredit, and he knows it, he has had to be dragged to the Dispatch Box to give his answer on the Royal Ordnance factories. He had hoped that yesterday at 3.14 pm, during Defence Questions, he could slip the announcement through, but the plan failed. The right hon. Gentleman did not even have the guts to come to the Dispatch Box to make a proper statement about it.

For the three years before the right hon. Gentleman became Secretary of State we argued, both in the Chamber and outside the House, that the Government's plan to sell off the ordnance factories was not only nonsense but extremely damaging to the factories, to the employees and to the national defence interest. The Government did not listen. Inurned in their ideological tomb, they had no time for rational thought or reasoned argument.

While all that was going on and all the money was being spent, the ordnance factories were getting thinner. When the Government started this process the factories were valued at about £400 million, but that figure was rapidly reduced, until a few months ago an optimistic view in the City would have set their value at £150 million. That was one measure, although not the only one, of the damage that the Government have inflicted on the Royal Ordnance factories.

What is to happen? Will the Secretary of State give an undertaking that before the next general election he will not further dismember the ordnance factories but will return them to the status of a trading fund, in which the Government found them? Secondly, what will happen to those employees who lost their jobs as part of what was euphemistically described as preparation for privatisation? Ministers can walk away, as two did during the Committee stage. Merchant bankers, stockbrokers and management consultants can walk to the banks with fat fees paid by the taxpayers, but those who worked in the factories can walk nowhere except to the employment exchange.

Thirdly, how much has the operation cost the taxpayer over the past three years both in fees to private consultants and in time and man hours used in the Civil Service? Finally, will the Government learn from this lesson, drop the damaging plans to privatise the royal dockyards and stop that privatisation before more damage is done?

Mr. Younger: I have not heard such a good example of making bricks without straw for a long time. I do not intend to join the right hon. Gentleman in his ideological tomb. It remains the Government's belief that it would be better for the Royal Ordnance factories to be privatised——

Mr. Jack Straw (Blackburn): Why?

Mr. Younger: —for the many reasons on which our original plan to do so was based, which are that, to have a successful future——*[Interruption.]* The hon. Member for Blackburn (Mr. Straw) might find it more helpful to hear what I have to say, even if he disagrees with it.

If the industry is to have a more successful future, it must rely for its future not only on home but on export orders. It has a much better chance of getting better export markets if it is in the private sector and fully competitive. For that reason, privatisation must still be the objective.

On the right hon. Gentleman's other questions, I cannot give him an undertaking that before the next general election the ordnance factories will be restored to the status of a trading fund, because the Government have no intention of going back to that solution. The position of the employees who lost their jobs earlier on, has nothing to do with the present postponment of privatisation, which is all that I have announced today. As to cost, it is too early to say what the cost of advice, and so on, would have been at this stage, but if the right hon. Gentleman wishes to know and tables a question I shall be happy to find that information for him. As to the dockyards, this is a wholly different situation, with a wholly different solution, and my announcement makes no difference to the intentions for them.

Sir Antony Buck (Colchester, North): Is my right hon. Friend aware that many, if not all, Conservative Members thinks that it is right to pursue a policy of privatisation, as we won the general election on it? When will the revised timetable go ahead? Will he pay tribute to Mr. Bryan Basset for all that he has done in the early work to try to effect that which we hope will come to fruition before long?

Mr. Younger: I thank my hon. and learned Friend and echo his view that we are greatly indebted to Mr. Basset and the management of Royal Ordnance for the tremendous efforts that they have been making over recent weeks. As to the principle, the House will understand that when the decision is taken to go for a flotation on the market, it is essential that that should be done only when the company is clearly in the right state to make that floration successful. In our judgment, the company is not at present in such a state as to make certain a really successful flotation. Again I hope and think that the House and my hon. and learned Friend will agree that if that is the case, it is very much wiser not to go ahead until it is in a proper state for a successful flotation.

Mr. James Wallace (Orkney and Shetland): Is the Secretary of State in a position to confirm to the House that one of the most important factors in this decision was the protest from Vickers about the placing of orders for Challenger tanks with Royal Ordnance and that the Government did not allow any competition for that order? If that is true, does it not blow a great hole in the Government's much vaunted competition policy?

Mr. Younger: No decision has yet been taken about the order to which the hon. Gentleman referred. As I have said, the criterion for this decision was whether the company was really ready for a successful flotation. Our judgment is that it is not yet ready and that we must wait until it is.

Dr. Keith Hampson (Leeds, North-West): Is my right hon. Friend not aware that, apart from the problems of the Challenger order, the judgment of the management of the Royal Ordnance factories was that they were ready? Will he say something about the central issue, which is not whether or not the Royal Ordnance factories should be privatised, but in what way, because it is being reported that the Department of Trade and Industry now wants to sell off piecemeal, in a privatised form, the whole operation. This is very important, because it will lower competition and result in the loss of many jobs in a city like Leeds.

Mr. Younger: My hon. Friend is quite right to focus on those two points. As to the judgment whether this was the right moment to float the company, I do not say, and I have not said, that it would have been impossible, but I think my hon. Friend will agree that, with all sorts of obligations to the House and everywhere else, it would be right to be able to justify this as being the best moment to go for flotation, and we consider that that is not so. As for other options, I said in my answer that we shall now consider a broad range of other options for privatisation, but of course it is too early to say which will prove to be the right one.

Mr. Robert Sheldon (Ashton-under-Lyne): Does not this sorry tale prove that the Public Accounts Committee was right to say that privatisation should not go ahead until the opening balance sheet assessment had been made? Unless we know the economic value of the company, how can we try to sell it? How can we convince the taxpayer that he is getting the proper price for the assets that we are selling? A number of assets have been sold below cost, and it is to the shame of this Government that they are not making sure that this does not happen again.

Mr. Younger: I think that the right hon. Gentleman may be missing the point slightly. Of course he is right, and the Public Accounts Committee under his leadership is also right, to say that we cannot impose a flotation without having all the facts. We should have had all those facts if flotation had gone ahead, but the right hon. Gentleman, of all people, will surely agree, with his responsibilities to the Public Accounts Committee and otherwise, that to justify a flotation it is necessary to demonstrate that a proper price is being obtained and that an effective flotation is being carried through. As our judgment was that that could not be done at present, I hope he will feel that we were right not to proceed.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): It took some time for the work force to appreciate and reconcile itself to the principle and effect of privatisation. This was achieved by reason of the fact that it was to be the Royal Ordnance plc, an integrated whole. Will my right hon. Friend give an assurance that when the time comes for privatisation this will still be the case and that the Royal Ordnance factories will not be sold off piecemeal?

Mr. Younger: I appreciate my hon. Friend's point about the acclimatisation of the Royal Ordnance employees to privatisation, and I reaffirm that it remains our objective to achieve the privatisation of Royal Ordnance. I cannot give the undertaking that my hon. Friend requests about the way in which it will be done, because, as I have already said, we are still reviewing all the possible options for privatisation from now on.

Mr. Straw: Does the Secretary of State not understand that when he refers to a successful future for the Royal Ordnance factories, thousands of ROF employees, including hundreds in my constituency, have paid for the privatisation policy of this Government with their jobs? —[HON. MEMBERS: "That is not true."] Yes, it is true, and Conservative Members know it, and the country knows it. Will the Secretary of State now come clean and have the guts to admit at the Dispatch Box that one of the policies that he is now looking at is selling off the different bits of Royal Ordnance plc piecemeal?

Mr. Younger: The hon. Gentleman does not usually talk rubbish, but it is absolute rubbish to say that any member of the staff of Royal Ordnance has paid for any part of this with his job. The number of jobs in Royal Ordnance is determined by the amount of work that the factories have and whether they are competitive enough to obtain orders, wherever they are. As I have said, we are considering what is the best option for the future.

Mr. Richard Ottaway (Nottingham, North): My right hon. Friend will be aware that since it became a plc the Nottingham factory has an expanded order book and an increased work force. Regrettable as the delay is, will my right hon. Friend assure me that if there is to be a reconsideration of the method of selling the ordnance factories, the unprofitable Leeds group, which is grouped with the Nottingham factory, will not hamper full independence for the Nottingham factory?

Mr. Younger: I appreciate my hon. Friend's latter point. Such considerations will have to be looked into when we consider all the options for the future. My hon. Friend said that the Nottingham factory's work force has expanded since privatisation, and I am not sure where that leaves the hon. Member for Blackburn, in view of his extraordinary remarks earlier.

Mr. Derek Fatchett (Leeds, Central): Does the Secretary of State recognise that his comments this afternoon will add greatly to the fears that already exist among the labour force in Leeds? The workers have already sacrificed their jobs for privatisation, and they now run the risk of losing more because of the lack of Challenger tank orders and the fact that the Minister seems to prefer to break up the Royal Ordnance factories and sell them in parts? When will the Government look after those workers who have given so much for Britain on so many occasions? Do the Minister and the Government not have some moral responsibility towards them?

Mr. Younger: There seems to be a change of tack among Opposition Members who have for some time been at pains to say—incorrectly—that the work force was not in favour of privatisation. If the hon. Gentleman is changing his tack now, he should say so. I have made no decision to break up the Royal Ordnance factories, and I thought that I had made that clear.

Sir Hector Monro (Dumfries): Is my right hon. Friend aware that during the period or preparation for privatisation the Royal Ordnance factories have been negotiating the sale or long lease of some plants, including one in my constituency? Can he assure me that the postponement in no way prejudices the present negotiations, because the work force and myself want an assured future for those at the Powfoot plant?

Mr. Younger: I am grateful to my hon. Friend. I can give him that assurance. The postponement makes no material difference to that situation, about which I know he is extremely concerned.

Mr. Merlyn Rees (Morley and Leeds, South): Will the Secretary of State recall a matter that was raised a moment ago? A number of us are interested in Barnbow in Leeds. The matter of Nottingham and the plant there being profitable was mentioned. The work force at Barnbow was told that it would be better off after privatisation, but it is now not to be privatised. Did I get an inkling that because Nottingham is profitable and has been given orders there will be even more redundancies in Leeds as a result?

Mr. Younger: The right hon. Gentleman would be wrong to draw any such conclusion, nor have we decided that privatisation is not to go ahead. I have said only that the flotation cannot go ahead in July as planned. The future of any form of organisation will depend on the amount of orders that all the Royal Ordnance factories get and I hope that they will obtain as many orders as they can.

Mr. Robert Atkins (South Ribble): Is my right hon. Friend aware that those who have consistently been in favour of privatisation will not necessarily be displeased at the delay in the flotation of the company on the market, as this will give more time to examine all the issues involved and to get them right when it happens? Would he care to say a word about the problems of Royal Ordnance with the competitive tendering policy of his Department, particularly in relation to foreign companies? Finally, is he aware that we do not take kindly to Opposition Members launching an attack on the Government about redundancies in Royal Ordnance factories, when, under their control, as many jobs, if not more, were lost through redundancies?

Mr. Straw: That is not true.

Mr. Atkins: If the facts are checked, Labour Members will be able to confirm that that is true.

Mr. Younger: My hon. Friend is correct to say that there were a large number of redundancies indeed when the Labour party had responsibility for the factories.

My hon. Friend has put his finger on an important point—the weight to be placed on the Opposition's alleged indignation about the matter. If I had announced today that we were going ahead with flotation on a basis that was not altogether clearly advantageous, we can imagine what the Opposition would have said. They would rightly have severely criticised us, and for that reason we can place little credence in their synthetic indignation.

Mr. John Cartwright (Woolwich): Does the Secretary of State accept that the Government's anxiety to sell off the Royal Ordnance factories should not be allowed in any way to hamper the supply of much needed equipment for

the armed forces? Can he assure the House that the Government's efforts to get out of the mess that they are in will in no way delay the placing of much needed orders for the Challenger tank?

Mr. Younger: The decision on the Challenger tank will be taken on the basis of the best possible value and delivery and on other such factors. I can assure the hon. Gentleman on that point. He asked about the supply of equipment to the armed forces. There is no reason why the change should make any difference to that, and I agree with him that it is a mater of great importance.

Mr. Martin M. Brandon-Bravo (Nottingham, South): My hon. Friend the Member for Nottingham, North (Mr. Ottaway) spoke about the Nottingham Royal Ordnance factory and the stability of the work force. Is my right hon. Friend aware that at one time the work force at Nottingham declined from about 2,000 to just over 1,000? That happened under the old trading status, and the growth in the labour force at Nottingham has occurred solely during its current plc status.

Can my right hon. Friend say something about the difference between the management structure of the old system and the management structure of the new system? Can he tell us what benefits that gives the present plc management, whether or not the company is privatised, in going out and getting business that was denied to the company under the old system? Will he give some assurances to my work force in Nottingham?

Mr. Younger: I appreciate the point made by my hon. Friend. It seems that recent efforts by the Nottingham factory management have been fruitful and productive, and my hon. Friend is quite right to draw attention to that.

In terms of the future of the various Royal Ordnance factories and the jobs in them, I have to tell the House that it is the gaining of orders, especially export orders, that will make the difference to all these factories. I hope that management will go ahead and make the factories as competitive as possible, in order to obtain the best possible level of orders.

Mr. Denis Healey (Leeds, East): I agree with the Minister that it is the state of the order book that determines the date of sale if privatisation is intended. Will the Minister confirm that it was his intention last week to announce that the Challenger tank order would be given to the Leeds factory? The placing of that order is at his disposal. On Saturday he was dissuaded from taking that decision by the intervention of a private firm which is a well-known supporter of the Conservative party. All his plans are now falling to pieces because he is not now able to give the Challenger order to Leeds. The Leeds factory has a long history, going back to the beginning of the last war, of being the best provider of main battle tanks to Britain. Many people believe that it makes the best main battle tanks in the world.

Mr. Younger: I share the views of the right hon. Member for Leeds, East (Mr. Healey) about the excellent work carried out at the Leeds factory. He is right to draw attention to that. I am glad of his confirmation of something that has not been agreed by many of his colleagues, namely, that it is the state of the order book that will determine the future of the factories, wherever they are. There was never any intention to announce any Challenger order next Saturday. As I have said, the decision on that order will be taken on the basis of the best price and the best factory.

Social Security Benefits (Students)

3.54 pm

The Secretary of State for Social Services (Mr. Norman Fowler): With permission, I should like to make a statement about social security benefits and students.

In January the Government published proposals which were a first step to channelling support for students more through the educational maintenance system than the social security system. I referred these proposals to the Social Security Advisory Committee and I am today publishing the committee's report together with the Government's response to it. I am also laying before the House amended regulations which take account of its views and those of the local authority associations and others expressed during the consultation period.

It remains the Government's view that in the long term it cannot be sensible that students should be subject to two separate but intertwined systems of support. It cannot be satisfactory to have students permanently dependent upon a system which is primarily designed for those who, for various reasons, cannot work rather than for those who have withdrawn voluntarily from the labour market to study. The vast majority of comments to the Social Security Advisory Committee supported the principle of rationalising student support. But at the same time three main concerns were expressed.

First, there was concern that the major change proposed to housing benefit, whereby the accommodation element in the grant would be taken fully into account when assessing housing benefit entitlement, would cause a wide range of losses. The Social Security Advisory Committee shared that concern while at the same time recognising the case in principle for the change. Although there is no doubt that the present rules treat students more favourably than other claimants, the Government are prepared to withdraw that proposal.

Second, there was concern that in relation to the withdrawal of housing benefit for accommodation left unoccupied in the summer vacation some students would not have time to change existing plans and commitments. We recognise their concern and, therefore, this measure will not take effect until the summer of 1987, as we accept that students who have already entered into rent commitments for this summer could face difficulties.

Third, there was concern about the position of students without an award who have begun their studies on the assumption that they would continue to draw benefit at the current level. We accept that we should protect the most vulnerable of these—existing students living away from their parents' homes. Those students will be treated as now for housing benefit—in respect of private rented accommodation in term time and the short vacations—up to 1 April 1988, or when their present course ends.

The remainder of the Government's proposals are largely unchanged. We shall remove entitlement to unemployment benefit and supplementary benefit in the short vacations when students are already provided for through the grant. We shall simplify housing benefit administration by averaging grant income for the whole of the grant-assisted period. Students in halls of residence will in future be able to claim housing benefit only during the long vacation, for which there is no provision in the grant.

Our proposal to make a £36 additional increase in the grant still stands and is an important step to the long-term aim of shifting student support away from the social security system. Nevertheless, the Government recognise that there are important issues to be discussed before making further progress towards that aim. This raises a question of a wider review of student support and that will be dealt with by my right hon. Friend the Secretary of State for Education and Science in his statement shortly.

Our other proposals have been widely welcomed and will go forward. We shall extend help under the students' dependants' hardship scheme to cover the full year for two-parent families, as well as single parents. We shall disregard for housing benefit those parts of the grant which cover books and travelling expenses. That change will now take effect for the academic year 1987-88. We shall provide a firm legal basis for treating students' income from parental covenants so that it does not affect their claims to benefit during the summer vacation.

The Government's long-term aim of removing students from the benefit system has been widely welcomed and accepted in principle. It cannot be right that generations of students should be encouraged to depend on social security. We set out our proposals five months ago and we have responded carefully to the comments made upon them. I believe that the proposals I have described today represent sensible steps towards rationalising provision for students, and reducing their dependence on benefits.

Mr. Michael Meacher (Oldham, West): Is the Secretary of State aware that, although we welcome the fact that students will at least now not be made homeless by housing benefit cuts this summer vacation, he is still proceeding with substantial benefit cuts for students which will not be adequately compensated for by the grant system? Is the right hon. Gentleman further aware that his proposals will cause severe losses to up to 250,000 students who are caught in the crossfire between the DHSS and the Department of Education and Science?

Is the right hon. Gentleman also aware that the two-month delay in making this statement, since he had the damning SSAC report at the end of March, has accentuated the difficulties particularly for mature students and for those from poor backgrounds, because several housing benefit offices, such as those at Reading, Aberdeen and Dundee, have already been refusing to allow students to sign on? Will he therefore issue immediate instructions to all DHSS offices to meet students entitlements in full this summer?

Is the Secretary of State aware that, while the Opposition understand the principle that students should be supported by grants and not by means of the social security budget, we do not accept that benefits should be cut sharply before an adequate alternative grant system is formulated and implemented? The mere promise of a review of grant in the light of the aborting of the previous one is a wholly insufficient substitute.

Will the Secretary of State acknowledge that student entitlement to social security benefit has been growing solely because of the diminishing value of the grant, which has fallen by 20 per cent. in real terms since 1979? Is he aware that what is proposed today is scarcely a genuine review when students are being squeezed by the DHSS while proper compensation from the DES slips further into the future?

How does the Secretary of State justify failing to improve on the original and miserly £36 compensation a

year for loss of housing benefit during the short vacations? Why does he not admit that he is looking to parents to met at least one third of the losses?

Is the right hon. Gentleman aware that his continued insistence on removing entitlement to unemployment benefit and supplementary benefit at Christmas and Easter is tantamount to saying that students should not be available to work in the short vacations? The falling real value of the student grant means that they need to find work or to claim benefit to get by.

This statement means that, contrary to the clear prescription of their own advisers and contrary to natural justice, the Government still intend to take money away from students on the basis of a vague promise of some future IOU. That is wrong-headed and unjust. The Secretary of State should withdraw all these benefit cuts until the grant review is completed.

Mr. Fowler: I do not accept what the hon. Gentleman has just said. He says that he understands the principle of seeking to reduce students' reliance upon the social security system. I hope that he supports that principle because that was the position of the majority who gave evidence to the Advisory Committee. There will be an opportunity to debate the regulations when they come forward.

The hon. Gentleman is not right in his generalisation about losses. Indeed, 140,000 students will gain from our proposals. As a result of our concessions, many fewer housing benefit losses will take place. Students are not normally affected by losses from more than one source.

Mr. Dennis Skinner (Bolsover): How many losses?

Mr. Fowler: As losses are not cumulative, it is not possible to provide that information.

Mr. Skinner: How many?

Mr. Fowler: If the hon. Gentleman understood the means whereby — *[Interruption.]* It is not possible to work out exactly what the losses are and the number of students who will be losing because the losses are not cumulative.

We are seeking to return to a position where help for students is channelled through the educational maintenance system. That must be right. Only a few years ago no students claimed from the social security system and now most do, at an annual cost approaching £120 million. Claims by students for housing benefit have come literally only in the past three or four years. It has not been the housing benefit system that has created that demand.

The hon. Member for Oldham, West (Mr. Meacher) has failed to understand the significant concessions that we are making. For example, there is the concession of deferring the removal of housing benefit for unoccupied accommodation in the long vacation. Another concession is the decision not to proceed with the new method of calculating housing benefit. These are substantial concessions that have been made in the light of the evidence that has been given to us. We stand by the principle that it cannot be right to have two systems running side by side. It must be right to have more help for students channelled through the educational maintenance system.

Several Hon. Members *rose*——

Mr. Speaker: Order. The House will have heard the Secretary of State say that there will be a debate on this matter. As there are two more statements to follow on broadly the same issue, I shall limit questions on this statement until 4.15 pm, and then we must move on.

Mr. Robert McCrindle (Brentwood and Ongar): Having asked my right hon. Friend to slow down the transfer from reliance on housing benefit, may I congratulate him on making this statement to the House? Will he confirm that the principle of providing support for students, principally through the student grant system, is still very much an aim of the Government? Will he confirm also, sitting as he is next to my right hon. Friend the Secretary of State for Education and Science, that as we move forward there will be meaningful discussions between the two of them so that a better timetable for achieving our objective can emerge?

Mr. Fowler: I confirm what my hon. Friend says. There will be discussions between my right hon. Friend and I. I think that it is right to have the longer review of the overall position which bodies such as the Advisory Committee want. My hon. Friend is right to suggest that there are three significant concessions in the statement, which will appear in the regulations that will be placed before the House, which I believe will be widely welcomed by the student population and the Advisory Committee. At the same time, we have adhered to the principle of seeking to have more help coming through the educational maintenance system than through benefit, which I believe is in the public interest as well.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Why has it taken so long for the Secretary of State to make this statement? Is he aware that university vacations at St. Andrew's, Cambridge and Bangor have already started? What does he say about the Advisory Committee's comment that he has switched some of the specifically targeted benefit savings to indiscriminate flat rate subsidies? That seems to move against all the principles that he has adopted in his other social security reviews. Is he not putting the cart before the horse by pre-empting the review that the Secretary of State for Education and Science will be announcing later?

Mr. Fowler: I do not think that that is fair. We said in the Green Paper on social security last year, and in the White Paper, that it was our intention to move in the direction that I have outlined. That has been supported. We are taking only a first step, however. We have made significant concessions and the overall savings position has been very much affected by that. We have sought in the concessions that we are making to guard against students being affected in a sudden way. Students will enjoy a significant concession during the coming summer vacation.

Mr. J. F. Pawsey (Rugby and Kenilworth): Is my right hon. Friend aware that his statement should be welcomed widely in the House and outside? Does he agree with me that it should be viewed against the most generous system of student support in the western world? Will he confirm that the concessions that he has announced will cost about £20 million? Will he further confirm that both housing benefit and supplementary benefit will be available to students for the long vacations?

Mr. Fowler: Help will be available in long vacations. As my hon. Friend suggests, it is right that that should be emphasised. It seems not to be understood, even by some

[Mr. Fowler]

of those who have been lobbying on these matters over the past month, that the proposals are confined to short vacations and not to long ones. I must remind the House that we are spending £5 million in housing benefit that goes to halls of residence. The administration costs of paying that £5 million is £3 million a year. *[Interruption.]* It seems absurd that sensible people like the hon. Member for Birkenhead (Mr. Field) should be defending such a system.

Mr. Frank Field (Birkenhead): Does the Secretary of State really expect the House to believe that he got his statement through the Treasury without detailing the number of students gaining and the number losing? Will he come clean and tell the House the number of students who will still lose under these proposals? As he is so caught up with cumulative and non-cumulative totals, I am sure that the House would be happy with a non-cumulative total.

Mr. Fowler: I cannot give that figure for the reasons that I have stated. What is certain is that 140,000 students will gain from the full £36 we are making available. There are obviously two main sources of loss—unemployment benefit in short vacations, and housing benefit on unoccupied accommodation in the long vacation. The hon. Gentleman will know, for example, that we are postponing the introduction of that until 1987. It is not possible to give the exact figure that the hon. Gentleman requires.

Mrs. Elaine Kellett-Bowman (Lancaster): Does my right hon. Friend accept that I am glad that he has listened to the anxiety of students on covenants who are unfairly affected vis-a-vis those on sponsorship and those on full grants, and has taken steps to remedy that? However, I am still worried about those who can get accommodation only by taking an annual lease. That situation will not disappear in the summer of next year. My right hon. Friend has given himself leeway to think again, and I hope that he will do so.

Mr. Fowler: I hear what my hon. Friend says. I think that she will recognise that postponing the implementation of the proposal for a year enables the position to be examined from the point of view of the student and the landlord. Clearly we shall keep the position under review.

On the matter of the restoration of policy on the treatment of parental covenants, that decision has been widely welcomed. We shall put that beyond doubt in the regulations.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): In relation to the revised proposals announced by the Secretary of State today, can he tell us what the total saving to the DHSS budget will be in the first full financial year?

Mr. Fowler: In 1986-87, which is this financial year, the overall saving will be about £8·5 million. In 1987-88, it will be £16 million.

Mr. Michael Latham (Ruthland and Melton): I thank my right hon. Friend for listening to the expressions of concern of many of his supporters on this matter. Will he give an assurance that it is not the Government's intention that qualified students should be denied places in higher education because they or their parents cannot afford it?

Mr. Fowler: I can readily give that assurance on behalf of the Government.

Mr. Peter Hardy (Wentworth): Is the Secretary of State aware that his statement seems to be an exercise of unwitting self-condemnation? Does he accept that in some areas there is a serious regionally intense problem? Does he accept that in areas of high unemployment, the Government's underlying assumption that students can work in the long vacation is simply not tenable because of the job starvation in those areas? Does he also accept that the problems faced by students in those area are particularly acute and seem to have escaped his attention in the statement today?

Mr. Fowler: We are not making proposals on the long vacation. It seems that the hon. Gentleman has asked a question based on an entire misunderstanding of the position.

Mr. Nigel Forman (Carshalton and Wallington): Is my right hon. Friend aware that, in so far as I understand the statement, I welcome the alleviations in it? For the benefit of myself and the House, will he put in the Library a simplified and clarified version of what he has said in order to give students and their parents the benefit of clear information?

Mr. Fowler: I accept that. I shall certainly endeavour to follow up my hon. Friend's request.

Mr. Tam Dalyell (Linlithgow): How much cash has the right hon. Gentleman winkled out of the Treasury for extending the students' dependants' hardship scheme?

Mr. Fowler: I cannot give that figure off hand. I should be glad of the hon. Gentleman's support on this, if I interpret it as support. Clearly that is one area where money will be paid.

Mr. Dalyell: How much?

Mr. Fowler: It is not a substantial amount. What is a substantial amount is the concession that we are making on the method of calculating housing benefit where the savings are £20 million less than would otherwise be the case.

Mr. Charles Kennedy (Ross, Cromarty and Skye): What peculiar ability is it by which the Secretary of State can estimate projected savings for the Treasury but cannot estimate the projected number of affected students?

Mr. Fowler: For the very good reason that there is a series of proposals which may affect individual students but which are not cumulative. Unless one knows the individual position of each student, it is impossible to give the kind of information that the hon. Gentleman wants.

Students (Support)

4.14 pm

The Secretary of State for Education and Science (Mr. Kenneth Baker): With permission, Mr. Speaker, I should like to make a statement on student support.

The measures just announced by my right hon. Friend the Secretary of State for Social Services mark a return towards a system in which support for students will be provided through the single channel of the educational maintenance system. It is a limited step, taken in close consultation with my Department. I am, however, convinced from the many representations I have received that it would be very difficult to make further progress towards disentangling students from the social security system without a wider examination of the whole structure of student support.

My right hon. Friend the Secretary of State for Scotland and I, in association with the Secretary of State for Social Services, have therefore decided to institute a comprehensive review of all aspects of financial supprt for students in Great Britain studying at first degree or equivalent level. It will examine the maintenance needs of students and the extent to which they should be provided for from public funds, having regard to other actual and potential sources of support, including loans.

The study will be carried out under the chairmanship of my hon. Friend the Parliamentary Under-Secretary of State for Education and Science, the hon. Member for Buckingham (Mr. Walden). The Scottish Education Department and the Department of Health and Social Security will be represented on it and the Education Departments of Northern Ireland and of Wales will be associated with it. The review will be carried out within Government, but we shall be open to representations and advice from every source. We shall undertake extensive consultations and consider international comparisons. The outcome of the review will itself be in the form of published proposals for public discussion and consultation.

Meanwhile, because the Government recognise the needs of students, we have mitigated the proposed removal of benefit whilst maintaining the level of compensation through the grant system originally proposed. Subject to the agreement of Parliament, the maintenance grants of students living away from home will be increased by £36 per annum from the beginning of the academic year 1986-87. This will be in addition to the increase of 2 per cent. which my predecessor announced on 16 December and will result in an overall increase of 4 per cent. on present rates for students living away from home. That is higher than the current rate of inflation. A similar addition to grant will be made in Scotland. A paper setting out detailed grant rates is being placed in the Library. The main rates of grant applicable to Scottish students are being given separately in a written answer by my right hon. Friend the Secretary of State for Scotland today.

Student numbers in higher education are at an all-time record level. We want still more to benefit. The Government stand by the principle of access to higher education for all who have the necessary intellectual competence, motivation and maturity, regardless of parental income. We want to ensure that students will neither be deterred from entering higher education nor handicapped in their studies by lack of means. But in doing so we must have regard to the claims on national resources. That is why I think that the time is ripe to investigate with an open mind all possible forms and sources of support.

I hope that the House will welcome the review which I have announced today.

Mr. Giles Radice (Durham, North): I welcome the Government's partial retreat from their original proposals on social security entitlement for students. However, I agree with my hon. Friend the Member for Oldham, West (Mr. Meacher) that they should be withdrawn altogether until the review is complete. Can the right hon. Gentleman, unlike his right hon. Friend the Secretary of State for Social Services, tell the House how many students will lose out as a result of the revised proposals? Is he aware that his statement conveniently ignores the fact, recently admitted by the Minister with responsibility for higher education, that the real value of the student grant has fallen by one fifth in real terms since 1979? The statement holds out no prospect of a significant improvement.

Does the right hon. Gentleman accept that his in-house review, with its restrictive terms of reference, ignores the financial needs of non-degree students and pupils who stay on in full-time education after the age of 16, although both groups are vital to the future of this country?

Finally, is the right hon. Gentleman aware that his attempt to present the idea of a review of student grants as a promising new beginning has a hollow ring for those of us who remember the previous so-called comprehensive review, which was set up in humiliating circumstances by his predecessor in December 1984 and unceremoniously abandoned last autumn? What guarantee is there that the latest review, for which the right hon. Gentleman has given no completion date, will not suffer a similar fate?

Mr. Baker: As to whether we should postpone the changes announced by my right hon. Friend the Secretary of State for Social Services until the review has been completed, I remind the hon. Gentlemant that the Social Security Advisory Committee recognised that there was an element of double counting in allowing supplementary benefit and unemployment benefit for the short vacations. Those are the two principal changes being made. As my right hon. Friend said, the administrative costs of dealing with those very small claims this year was out of all proportion for the social security system.

I accept that the value of the grant has fallen by about one fifth or £90 million in real terms, but I remind the House that social security payments have risen to more than £120 million within the system. Housing benefit, which was principally introduced about four years ago, accounts for about £50 million for that. I should also point out that although grants have been cut, the number of students has risen by 80,000 under the present Government whereas under the Labour Government it fell by 2,600.

I do not know whether the Labour Front Bench intends to restore the level of student grant to what it was in 1979. In a speech last Friday the Deputy Leader of the Labour party seemed to put some kind of bridle on the hon. Member for Durham, North (Mr. Radice). Durham wants to spend but Sparkbrook says "Whoa". A newspaper headline on Saturday read:

"'Expansion not on' Hattersley tells dons".

[Mr. Baker]

On the hon. Gentleman's final question about the review and why I have announced it, I should state clearly that when I assumed responsibility for this office I looked at this question and decided that a review was clearly needed. That is why I have announced it today.

Mr. Harry Greenway (Ealing, North): Does my right hon. Friend accept that there are two classes of student today—those on full grants and those whose grants are expected to be topped up by their parents, some of whom cannot afford to do so? Will he examine that aspect to ensure a more even situation for all students? Will he also seek to restore the grant lost through inflation?

Mr. Baker: The review will certainly look into that aspect. Student support now comes from two sources—from grants and from the social security system—and that is the sum of money that the review will consider. I have stated that loans are not ruled out as a means of topping up grants in recognition of the very point that my hon. Friend has made.

Mr. Michael Meadowcroft (Leeds, West): Does the right hon. Gentleman accept that one of the major flaws in his statement is that the review is to be conducted within Government and that it is impossible to welcome a review when the membership of the review team is to come from the same ideological straitjacket as the right hon. Gentleman?

Why does the right hon. Gentleman exclude the 16 to 18-year-olds, and why is his proposal confined to first degrees or equivalent? Will the review be sufficiently cross-departmental to include Manpower Services Commission funding which often stops people going into training or education when it could be used for that purpose?

Does the reference to loans mean that the outcome is cash limited and that if the right hon. Gentleman cannot get any more cash on the table when the review findings come out there will be a return to loans? Is he aware that loans already exist? They are known to students as overdrafts.

Mr. Baker: As I said in my statement, the review will be cross-departmental because other Departments are involved, principally the DHSS but also the Scottish and Welsh Departments. The review will be wide and thorough. My hon. Friend the Parliamentary Under-Secretary of State will be starting on it later this summer —*[Interruption.]* It will have to be thorough because it is the first review of student grants for 25 years.

Mr. Andrew F. Bennett (Denton and Reddish): Rubbish.

Mr. Baker: With great respect, it is the first for 25 years.

I am glad that a Liberal Member raised the subject of loans, although he should perhaps clear his channels of communication with the leader of the SDP, who made an important speech at Stirling university in February indicating a fundamental change in student support and floating the idea that student support should be operated by the universities and polytechnics themselves and that students should be given not only the student support money but part of the tuition fees to take around to address different institutions. The leader of the SDP also said that students would be able to take out loans for topping up, so there seems to be some support in part of the alliance for the concept of loans.

Mr. Robert Rhodes James (Cambridge): I welcome the announcement of a thorough and comprehensive review, but may I impress upon my right hon. Friend that the voices of industry, business and schools must be heard as well as those of higher education and Government? Will the review include the problems of parental contributions and the wider problems of financing research and academic salaries?

Mr. Baker: Financing research and academic salaries are rather separate matters, but I warmly endorse what my hon. Friend said at the beginning of his remarks. The review should certainly cover the attitudes of schools and the other aspects that he mentioned. I am concerned about the disincentive for 18 and 19-year-olds to go into higher education. This has been well measured over the years and probably owes more to the social attitudes and quality of education in schools than to cash considerations.

Mr. Max Madden (Bradford, West): Does not the Secretary of State owe it to students to give a clear statement of the date given to the review team to complete its work? Will he undertake that all evidence submitted will be published? In view of the dramatic reduction in the real value of grants since 1979, does he not also owe it to students to state that new money will be available for a substantial increase in student grants when the review is completed?

Mr. Baker: The review will examine the whole question of student support, which might be a mixed system of grants and loans or grants and sponsorship. All these ideas are opening up. For example, Mr. Ball, who is warden of Keble college and chairman of the board of the National Advisory Body for Public Sector Higher Education, which includes the polytechnics, made a proposal last week recommending grants for two years and loans and sponsorship for the third year. Ideas of that kind will have to be examined.

The evidence will be public. I am sure that the various bodies will make it public themselves. If they do not do so, we shall make it public unless they ask for it to be held confidential, as some of it might be in matters of this kind.

Mr. Roger Sims (Chislehurst): I congratulate my right hon. Friend on recognising the significance of these problems and instituting a review so soon after taking office. Will the review take into account the disparities which now exist among authorities in relation to discretionary and mandatory grants as this leads to some apparent injustices?

Mr. Baker: I can confirm my hon. Friend's last point.

Mr. Frank Field (Birkenhead): Does the Secretary of State realise that the total increase in the student grant that he has announced today, inadequate as it is, is twice the increase in the old-age pension? Would it be right for Britain's 9 million pensioners to conclude that that is where they come in the Government's pecking order?

Mr. Baker: That question would be best directed to my right hon. Friend the Secretary of State for Social Services. I believe that I have secured a pretty good deal for students this year in that the basic grant is going up by 4 per cent., which is more than the rate of inflation.

Mr. J. F. Pawsey (Rugby and Kenilworth): Despite some of the carping comments from Opposition Members, will my right hon. Friend accept that the review will be thoroughly welcomed not only in the House but by those in higher education? His reference to student loans will be widely welcomed. We hope that it will receive favourable consideration by the review body. May I ask for further advice? In regard to the 4 per cent. increase that he mentioned, does that mean effectively that at least for this year the grant has been inflation-proofed?

Mr. Baker: The grant for those students who are not living at home has been inflation-proofed. I think this will be welcomed by many students. As to loans, that is a matter which is very much a matter for public debate. Various schemes have been put forward in the student world itself and in the academic world. They relate not just to student support but to the whole financing of higher education. There is now a greater fluidity and mobility in the thinking on that subject than for many years.

Mr. Dennis Skinner (Bolsover): Is the Minister aware that in all his answers about the thoroughly comprehensive review he has — inadvertently, I assume — forgotten to tell us the completion date? Am I right in assuming that the review will not be finished before, say, August 1988, or is it that two years for him is only a short time in politics?

Mr. Baker: I think that it will be completed before that. I should think that it is likely to be completed in the course of the next year. Then it will be a public consultation document. [HON. MEMBERS: "Oh!"] Surely that is what the House and the country would expect. Surely I am not expected to hold a review under a Government Minister and to slap the result on the table and say "That is that." We want to hear wide views and comments from the many people who are affected.

Mr. Alan Howarth (Stratford-on-Avon): Is my right hon. Friend aware that there will be a widespread welcome among many anxious students and their families for the decision to re-establish the review and in particular for his willingness to contemplate a properly structured loans element? Can he see any way other than through loans whereby students can be disentangled from the clutches of the social security system and whereby all who are academically qualified may have an equal opportunity to enjoy higher education other than in conditions of penury?

Mr. Baker: The main thrust of what my right hon. Friend and I have said today is to disentangle students from the social security system. I think that enjoys wide support across the House. In the Beveridge report, which I studied last week, he specifically recommended that students should not be eligible for unemployment benefit. We are not making that change at the moment. Under what my right hon. Friend has said today, students will still be eligible for supplementary and unemployment benefit during the long vacation. One cannot withdraw those benefits without having a review to replace them with other forms of support. I do not exclude schemes of sponsorship by industry or a form of loan, possibly on a subsidised basis.

Mr. Gordon Wilson (Dundee, East): In attempting to recast the grant structure for students, will the Secretary of State take into account a possible serious knock-on effect if loans were to be institutionalised? Does he realise that Scottish universities offer courses on a four-year basis and that that could be a substantial disincentive to students coming to Scottish universities?

Mr. Baker: I understand that. That is why a Scottish Minister will be closely involved with the review.

Mr. Anthony Steen (South Hams): Clearly the Government cannot have a bottomless pit of expenditure on student grants. Is it not right that the Government are spending £2,800 million on student grants? Does my right hon. Friend agree that the review body should examine the question of interest-free loans? Does he agree that students cannot always survive on the grants that the Government give? With the problem of unemployment they may not be able to find work to augment their grants. Therefore, interest-free loans would be an important step forward.

Mr. Baker: Certainly the review body will examine that. It is fair to remind the House that, compared with other western developed countries we have a uniquely high level of student support — three to five times higher per student compared with Holland and Germany, and significantly higher than in Denmark, France and Italy. The difficulty in Britain is that the two systems — the social security system and the educational maintenance system — have become tangled. It is in the interests of everybody to sort that out.

Mr. Charles Kennedy (Ross, Cromarty and Skye): In view of his statement and his earlier answer, will the Secretary of State confirm that the Scottish Education Department wil be represented fully by a sponsoring Minister, that is, his hon. Friend the Minister at the Scottish Office who is responsible for education, in what the Secretary of State has described as the most thorough review in 25 years? Will the Scottish representatives on the review body take the opportunity to bring again to the attention of his Department additional living allowances for students at universities in cities London which have exceptionally high living costs? In the Scottish contest I think particularly of Aberdeen for obvious reasons. Will the review consider the potential for extending the principle of additional living allowances beyond London to other cities in Britain?

Mr. Baker: Clearly the review body will examine such points. I assure the hon. Gentleman that a Scottish Minister will be involved. There are often many things that we can learn from the Scottish educational system.

Mr. Patrick Thompson (Norwich, North): Having pressed for this fundamental review on student finance, I should like to join many of my hon. Friends who welcome it. That welcome will also be reflected in Norwich where the fundamental review is very much required by those involved in the university of East Anglia and elsewhere. Does my right Friend agree that higher education is so vitally important that we must attract finance into it in all possible ways? Does he agree that in the fundamental review we must try to find alternative ways of getting finance into higher education for the benefit of young people so that the endless wrangling with the DHSS over finance may cease?

Mr. Baker: I hope that one of the prizes that will come out of the review will be a fundamental examination of the inter-relationship of student support with the financing of universities, polytechnics and institutes of higher education. One of my ambitions is to increase the

[Mr. Baker]

participation of 18 and 19-year-olds in higher education. We have done very well since 1979 with a further 80,000 full-time students. I want to see progress above that figure.

Mr. Tam Dalyell (Linlithgow): Having two children on four-year courses at Edinburgh university, may I ask the Minister what is the objection to either he or the Under-Secretary reading out the written answer so that the Scots may question him on it?

Mr. Baker: That is not a matter for me. I have tried to answer as well as I can. As regards universities, of course I have responsibility for those in Scotland.

Mrs. Edwina Currie (Derbyshire, South): Does my right hon. Friend accept that his statement about the review will be very welcome on this side of the House, and that many of us wish it more luck than the last one? Does he agree that it is extraordinary that the main form of finance for students comes as non-returnable grants from the state? Is it not time tha we exploited other areas of society and in particular future employers? Should we not encourage them to take more interest in and to give more financial support to students whom they will be recruiting later?

Mr. Baker: I have sympathy with that approach. Many companies—larger and medium-sized ones for the most part—have sponsorship schemes and sponsor students in one way or another both at first degree and at post-graduate level. That is one area where I hope that the review body will be able to see an expansion of involvement of other sources of finance.

Mr. Andrew F. Bennett (Denton and Reddish): May I congratulate the Secretary of State on maintaining the tradition of his predecessors—every time the heat is on student grants, they set up an inquiry? He will recall that, when the Prime Minister was in opposition in 1978, she promised students a fundamental inquiry. The right hon. and learned Member for Warrington, South (Mr. Carlisle) set the hon. Member for Brent, North (Dr. Boyson) on to a grants review in 1982. When it failed to come up with proposals for loans, it was quietly abandoned. The right hon. Member for Leeds, North-East (Sir K. Joseph), when under pressure 18 months ago, set up a review of student grants which was quietly abandoned when the pressure was off.

What guarantee is there that this review will be carried through? What will the timescale be? We were assured on all of the previous occasions that I have described that the fundamental work and the collection of information had been done. May we have a rather shorter timescale? Will the right hon. Gentleman include in the review mature students and access courses for mature students? If the Secretary of State for Social Services does not know how many winners and losers there are in the propsoals, does the right hon. Gentleman, because last time around, even the Prime Minister could answer a question about that?

Mr. Baker: The review body will have to consider the implications of its findings for mature students. I have already been frank with the House about the time. I think that the body will report next year. As for the certainty of the review, I have announced it at the Dispatch Box of the House of Commons and it will happen.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: Order. We are still in the middle of questions on the statement. We have a ten-minute Bill, another statement and an important debate ahead of us. Some of the hon. Members who are rising in their places wish to take part in that debate. I shall allow questions on the statement to continue for another five minutes, during which I hope that most hon. Members who are rising in their places will be called.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: I shall take the point of order at the end of the statement.

Mr. Dalyell: My point of order arises out of the statement.

Mr. Speaker: I shall take it at the end of questions on the statement.

Mr. Michael Stern (Bristol, North-West): I join those of my right hon. and hon. Friends who have congratulated my right hon. Friend, especially on that part of his statement which puts student loans back on the agenda. Does my right hon. Friend agree that, to bring ourselves into line with what is regarded in the rest of the world as an acceptable level of student support, the grant element must inevitably fall?

Mr. Baker: The review body will have to examine that. It is quite true that there is a variety of means of support for students in other countries. In America, for example, support involves a higher element of loans, many of which are cancelled by the employer when the graduate is employed. The review body must examine that type of arrangement. I assure my hon. Friend that the review body will deal with the issues that he has raised.

Mr. Patrick Nicholls (Teignbridge): Does my right hon. Friend agree that the review will be especially welcome to those of us who have urged his Department to examine student grants? Does he further agree that that review must be conducted on the understanding that it is no answer to say that our system of student maintenance is better than that in any other country? The system is deteriorating, and something positive must come out of the review.

Mr. Baker: I think that I am right in saying that, since the student grant was established in its current form in the 1960s, it has steadily declined in real terms. There is pressure on whatever Government are in power, therefore. We need a complete overhaul of the system and I hope that that is what the review will lead to.

Mr. Christopher Chope (Southampton, Itchen): My right hon. Friend's announcement is excellent news for students, but does he agree that much damage has been done by the uncertainty of the past few months? Will he therefore give a deadline by which the review should be completed? Does he agree that to let it drag on, perhaps well into next year, would be damaging to students who are anxious about their future? Will he say that the review will be completed by Easter?

Mr. Baker: I am reluctant for obvious reasons to give a specific date for completion. The review must be thorough and take account of comparisons of many other countries. I expect the review to report during next year. I understand the urgency.

Mr. Peter Bruinvels (Leicester, East): Although I welcome my right hon. Friend's announcement, which is

useful for all students, does he agree that British universities are the best in the world? Is it not therefore a privilege rather than a right for our students to go to university? Does my right hon. Friend agree that once students get to university they must aim to get qualified? If there was the incentive of a part grant, part loan system, would they not do even better?

Mr. Baker: I think that some would. Our best universities are certainly the best in the world, but my statement also refers to polytechnics, some of which are absolutely outstanding. I visited one in north Staffordshire last week, the computer department of which comes third after Imperial college and the computer department at Cambridge university. It is a great triumph for a polytechnic to get to that standard.

Mr. John Browne (Winchester): Is my right hon. Friend aware that this comprehensive review will be widely welcomed by students, centres of learning and industry? Is he further aware that loans will be welcomed? Does he agree that there is a real fear among students at a time of high unemployment about what will happen to the servicing of loans if the students are unemployed? Does he agree that such a loan should be on a soft basis—that debt service should be geared to future employment and salary levels?

Mr. Baker: Terms of loans and the extent of softness or the subsidy required will obviously concern the review. I understand what my hon. Friend says.

Mrs. Elaine Kellett-Bowman (Lancaster): Does my right hon. Friend agree that the softness or interest-freeness of the loan is not nearly as important as the fact that repayment should not start until salary levels reach a certain point, as that would avoid the reverse dowry on girls?

Mr. Baker: I accept the problem that my hon. Friend has described. One of the reasons why the review must consider practice in other countries is that they have considerable experience of operating such systems. It is not as if we are breaking new ground. There is plenty of experience to learn from on the continent and in America. That is why the review body must take full international comparisons into account.

Mr. Robert McCrindle (Brentwood and Ongar): In regard to inflation proofing, would I be unduly rash to assume that, between now and when the report is ready for implementation, student grants will increase broadly in line with the rate of inflation?

Mr. Baker: My hon. Friend is asking me to anticipate the discussions that I shall have later this year with my right hon. Friend the Chief Secretary to the Treasury. I think that I have shown good evidence of the token of the Government's concern today in that the level of grants for students who live away from home will be 4 per cent. higher this year, which is higher than the current rate of inflation.

Mr. Dalyell: On a point of order, Mr. Speaker. It may not be within your knowledge that the Parliamentary Under-Secretary of State for Scotland returned from his official visit to Mexico solely to be here for the statement on student grants, and for no other possible reason. As the Secretary of State referred in his statement to written answer, and as Scottish universities are affected rather differently, would it not have been at least sensible to have allowed the Under-Secretary of State to make a statement so that he could be cross-questioned on it?

Mr. Speaker: I am afraid that that is not within my knowledge. We had better have the next statement.

Supplementary Benefits (Board and Lodging)

4.48 pm

The Minister for Social Security (Mr. Tony Newton): With permission, Mr. Speaker, I should like to make a statement on supplementary benefit arrangements for board and lodging.

As the House knows, when the main lines of the present system were set in April 1985 the Government undertook to monitor its working carefully and to review the financial limits on maximum payments after a year. Following the subsequent decision to have a general social security uprating in July 1986, it was thought sensible to defer any changes until then, but meanwhile, in advance, to make significant increases in the limits for residential care and nursing homes alongside the previous uprating in November 1985.

I am arranging to place in the Library copies of reports on the extensive monitoring and statistical surveys undertaken by the Department since April 1985, together with the full report commissioned from the consultants Ernst and Whinney on residential care and nursing homes. I have placed in the Vote Office copies of Ernst and Whinney's summary of its report, and of my right hon. Friend the Secretary of State's response to the Social Security Advisory Committee's comments on last November's amending regulations. In reaching our conclusions we have, of course, also taken account of the representations that we have received from Members and from other individuals and organisations.

For ordinary board and lodging, our most recent figures show that expenditure in 1984 rose not to £380 million, as we earlier estimated, but to over £500 million —an increase of no less than 80 per cent. in a year. At the same time, the number of boarders increased from 112,000 to over 160,000. Our monitoring and surveys confirm the existence of an accommodation market unduly influenced by the amount of benefit payable, rather than by normal commercial factors, and of an unacceptable degree of abuse. Many landlords have reduced their charges in response to the restraint imposed, and across the country our studies show average charges are for the most part close to average limits.

In view of this, and of the continued need to ensure firm control in this area, the Government have concluded that no general increase in the financial limits for ordinary board and lodging, or in the associated meals allowances, is at present justified. This is also the case for hostels, where our monitoring showed that average charges in all regions including London were below the present limit. We have, however, looked again at the current limit for couples without young children which is one and three quarter times the single adult limit. This has been widely represented to us as unrealistic, and we have decided to increase it to twice the single limit, as for couples with young children.

It will not surprise the House that many of the representations about ordinary boarders have focused not on the financial limits but on the limited time for which many of those under 26 can be paid as boarders at all. The regulations which came into effect on 24 November 1985 provided for those paid as boarders at the time to be exempt from time limits until 28 July 1986. We propose to extend that exemption indefinitely. New boarders under 26 will, however, continue to be subject to time limits, which we do not propose to change, unless they come within the extensive range of exemption categories covering those for whom longer-term boarding is a genuine need.

I turn now to the limits for residential care and nursing homes. Following the November 1985 increases of £10 a week in the residential care limits and £31·40 in the nursing home limits, the evidence is that in general homes charging at or below the average will fall within the benefit limits —in several categories, well within. While there is therefore no clear case for an all-round increase in July in addition to last November's, we nevertheless think it right to make some further increase where the evidence suggests it is most needed, in the limit for residential care homes for the elderly. We now propose that this should go up by £5 to £125 a week, making an increase of £15 a week overall since April 1985. In addition, we intend to make five important changes to meet specific problems which we judge to be of greater significance than the limits for particular categories of home. First, for those elderly people in residential care homes who are very dependent who are at present limited to £120 a week, we propose an increased limit of £140 a week where they qualify for the higher rate of attendance allowance.

Secondly, for blind people over pension age, where the same limitation currently applies, we similarly propose to increase the limit from £120 to £140 a week.

Thirdly, for those in residential care or nursing homes in Greater London, we propose to increase the limits by a special extension of up to £17·50 a week.

Fourthly, for those whose benefit is being paid at a transitionally protected rate in July, we propose an addition of up to £10 above their protected rate. This is a departure from the normal conventions concerning transitional protection, but one which will I think be welcomed in all parts of the House.

Fifthly, for those who are away from a home for short periods — for example, for a break or to maintain contact with their families—we propose new provisions to meet retaining fees.

Taken together, the changes I have outlined mean that, for example, the limit for a severely disabled elderly person in a residential care home in Greater London will rise by £37·50 a week. To assist the House, I am arranging for details of the new pattern of limits to be inserted in the *Official Report*.

These proposals are an important step towards the more flexible approach, but within a firmly-controlled framework, which is also the aim of the longer-term studies that we are conducting with the local authority associations, in consultation with the private and voluntary sectors. Subject to the views of the Social Security Advisory Committee, we intend to embody them in regulations to take effect from 28 July.

Residential Care and Nursing Home Limits from 28 July 1986

Residential Care Category	*July Limit £*	*London Limit £*	*Present Limit £*
Elderly	125	142·50	120
Very dependant or Blind Elderly	140	157·50	120
Mentally ill	130	147·50	130

Residential Care Category	*July Limit £*	*London Limit £*	*Present Limit £*
Drug or Alcohol dependant	130	147·50	130
Mentally Handicapped	150	167·50	150
Physically Disabled			
Disabled under pension age	180	197·50	180
Disabled over pension age	125	142·50	120
Very dependant elderly	140	157·50	120
Others	125	142·50	120
Nursing Home Category			
Mentally ill	180	197·50	180
Drug or Alcohol dependant	180	197·50	180
Mentally Handicapped	200	217·50	200
Terminal ill	230	247·50	230
Physically Disabled			
Disabled under pension age	230	247·50	230
Disabled over pension age	170	187·50	170
Others (including elderly)	170	187·50	170

Mrs. Margaret Beckett (Derby, South): The first point that I should make on behalf of the whole House is to complain about the timing of this statement in relation to the publication of the information on which it is claimed to be based. Most hon. Members will not have seen the monitoring results on which this statement is said to be based, but I have them with me. Clearly it has been impossible for any hon. Member to assess the information contained in them in the time available before the statement was made.

Last July, following parliamentary questions about the results of monitoring, I wrote to the Minister. I wrote again on 15 October, not having had a reply. I finally received a reply in December from the Under-Secretary, which indicated that the information would be published

"as soon as we are in a position to do, although this may not now be until after Christmas."

Obviously, in DHSS language,

"may not now be until after Christmas"

means 18 June.

From the brief glance that I have had at the information, it is clear that the monitoring in respect of care was carried out early in 1985. It also appears that in respect of another report the information was ready in February this year. Why, therefore, was this information in its cold form not made available to the House in time for hon. Members to consider it before this statement was made?

The Minister said that many landlords have reduced their charges. I draw his attention to a report, which I am sure he has seen, entitled "It's the Limit", which indicates that landlords in London have recently put up their prices by 20 per cent. since the limits were set. It suggests that in 1984-85 the average price for a single room was £85·34 a week, compared with the DHSS allowance of £48·30. The report shows that in London only 60 hotels had charges below the limit set, and that of those only 22 had any vacancies. On average, people were sharing four to a room, although in some cases it was as many as 12 to a room. We are talking about 10,000 people who are subject to these limits in London.

In recent weeks, surveys have arrived in the House from various other parts of the country. They have usually been local studies. I refer the Minister to one that we have received from Preston, which indicates that none of the bed-and-breakfast establishments or hotels that could be contacted were within the maximum allowance, and that only one had ever taken unemployed people. In any case, only one had vacancies, and again everyone was expected to share rooms with strangers.

I also refer the Minister to similar reports from Ipswich, which indicate that many claimants are not able to live below the limits that now exist. There is a reference to bed and breakfast costing £73 a week, and no establishment there is within the cash limits for bed and breakfast. Therefore, it is hard for us to believe that the Minister's summary is justified, and I am not sure about the timing of the study that was made.

The hon. Gentleman also referred to the fact that there would be no general increase in the meals allowances. I think I am correct in saying that these meals allowances have not gone up for two years, during which VAT has been imposed on takeaway meals and the average increase in the cost of food has been 12 per cent. That must mean that these meals allowances, which are inadequate now, will become seriously inadequate in the coming year.

We are glad that the Minister is now giving the proper rate for couples, as that has always been what landlords have charged, as opposed to what the DHSS has given. We are also pleased that the threat of the time limits has been removed for existing boarders. Nevertheless, I remind the House that all the difficulties that have been experienced will still apply with equal force to new boarders.

The Minister referred to the extensive exemption categories. As there is a great deal of evidence to suggest that those categories are not working properly, will new claimants still have to apply to be made exempt—as opposed to that being considered as a point of principle—and what will happen to appeals?

The hon. Gentleman said that the costs for residential care homes were considered to be adequate. The evidence was collected in 1985 and compares costs at the beginning of 1985 with limits at the end. I refer the Minister to a series of reports from voluntary organisations, such as the Royal National Institute for the Blind, all of which show that existing limits are inadequate. All their complaints will not be met by this statement.

I note that no increase is allowed for the special category of senile dementia, although 22 per cent. of people over 80 fall into that category. If the Minister claims that the new limits are adequate, why is an increase being proposed for transitional protection? Presumably transitional protection is above existing limits and, indeed, new limits, so if the new limits are adequate, why is that proposal needed?

Finally—*[Interruption.]* I am sorry if I am distressing hon. Members, but this is an important subject and I have drawn their attention to the amount of information on which the statement is based. Will the Minister tell us how the physically and mentally handicapped will be affected by the statement? Their transitional protection was due to come to an end in April 1986 and they are presumably facing the effects of these proposals.

[Mrs. Margaret Beckett]

The information about these regulations was made available to the House only at the last possible minute and in a form that makes them extremely difficult to assess. It is outrageous for the House to be treated in this way when it is clear that much of the information has been available for months.

Mr. Newton: Perhaps I can deal with the hon. Lady's questions in the order in which she asked them. We have made available more extensive monitoring and survey information than, I suspect, any Government have hitherto made available in connection with a matter of this sort. I shall not make any apologies for the fact that it has taken us some time to put the information together and ensure that it was available to the House at the right time.

The Central London Social Security Advisers Forum is a complex matter and it is difficult to comment on everything that the hon. Lady mentioned, but we think that the survey overstated the case. The survey appears to be based on the proposition that supplementary benefit should enable people to compete with tourists for hotels in central London — a proposition which we do not accept. We are not sure whether its data are complete. As the forum knows, DHSS officials merely responded to some advertisements in newspapers over a particular period and found 20 places advertising within the DHSS limits which were not included in the CLSSAF list, so we are sceptical about that.

The hon. Lady is right in saying that the meals allowance has not been increased for some time. On the other hand, one of the surveys by the social security policy inspectorate shows that a majority of claimants think that the meals allowance is adequate. Indeed, it is only a fraction less than the householder rate of supplementary benefit and is significantly higher than the non-householder rate of supplementary benefit. Therefore, we see no good reason for increasing it at present.

The hon. Lady suggested that not everyone would be fully satisfied with the residential care homes limits, and I am sure that that is the case, but she referred to the Royal National Institute for the Blind, and she will have registered the fact that one of the significant concessions in my speech was specifically directed at the elderly blind. Indeed, the general concession that I have announced for those in receipt of the higher rate of attendance allowance is expected, and certainly intended, to cover the group suffering from senile dementia, to which she understandably referred.

I simply do not understand the hon. Lady's point about transitional protection. Its purpose was to cover those in homes who were paying levels which, by definition, were above those that we thought it appropriate to meet through supplementary benefit. We protected them at that time and have concluded that it is right to improve that protection to ensure that their position is fully safeguarded. That is entirely sensible. Indeed, the whole package is far more sensible than the hon. Lady's rather grudging comments gave it credit for.

Sir Geoffrey Finsberg (Hampstead and Highgate): Does my hon. Friend accept that the majority of us do not take the carping view of the hon. Member for Derby, South (Mrs. Beckett), that we were perfectly happy to listen to what he had to say, and that we shall study the basic information at our leisure, because there will be other opportunities to debate the subject? I wish to thank him for two particular matters. First, I thank him for responding so generously to the genuine problems of voluntary homes which look after the frail elderly, especially in Greater London. The Minister has made immense progress there and listened carefully to the many homes that put views to him.

Secondly, I welcome what he said about the transitional provisions, which 98·5 per cent. of the House understood, leaving 1·5 per cent. on the Opposition Benches who did not, and for what he said about people in accommodation not having to move as a result of the eight week short-term period. My hon. Friend has listened carefully to the points put to him, certainly by Conservative Members, and he deserves warm praise for what he has done.

Mr. Newton: Perhaps I may return the compliment by saying that I am grateful to my hon. Friend for the trouble that he took to ensure that I was put fully in the picture about some of the problems that were troubling him.

Several Hon. Members *rose*——

Mr. Speaker: Order. Again I must say that there is to be a debate on this matter. Following this we have a ten-minute Bill, which, I understand will be opposed, so that will delay the subsequent debate even further. I shall allow questions to continue until 5.15 pm and then we must move on. I ask hon. Members to make their questions brief.

Mr. Frank Field (Birkenhead): First, is it wise of the Government not to make any changes in the time limits and the exemption categories, considering that a constituent of mine, Simon Cotton, managed to take the Government to the High Court and the Court of Appeal and win? Is there not a case for extending those exemption categories? Secondly, as the fees increase for old people in nursing homes who are eligible for attendance allowance, should not the attendance allowance be unfrozen?

Mr. Newton: The answer to the hon. Gentleman's first point is that I am not sure that I understand the connection that he makes with Simon Cotton, because the issue of exemption categories was separate from the Cotton case, and we adjusted the regulations in November — *[Interruption.]* I understand that Mr. Cotton was not exempt, but the case concerned the technical legitimacy of some parts of the regulations, and that has been corrected. At the same time, we took the opportunity to extend the exemption provisions to give the Secretary of State a discretionary power over exemption in cases of exceptional hardship.

I must make it clear that we do not propose to reintroduce the disregard of the attendance allowance, which undoubtedly led to excessive payments in many cases under the previous regime, as was generally accepted. In respect of residential care homes, we propose to introduce an additional limit for those in receipt of the higher rate of attendance allowance as a proxy measure of their likely need for care over and above that which would normally be provided in the home.

Mr. Robin Squire (Hornchurch): Clearly both the statement and the accompanying evidence will repay study. However, will my hon. Friend say whether the summary of that evidence is that at present there is sufficient accommodation available in London, particularly for single people, at the present rate?

Mr. Newton: Our general view is that the evidence suggests that there is sufficient accommodation to meet legitimate needs for board and lodging, that the average price comes within our limits and that it is not appropriate to increase the limits for London, which my hon. Friend may have had in mind. I would not necessarily tie those comments to central London. This matter includes an issue on which we have already touched, which is whether the supplementary benefit system should be expected to enable people in London, or coming to London, to compete with tourists for hotel accommodation in central London.

Mr. D. E. Thomas (Meirionnydd Nant Conwy): Will the Minister explain to the House the impact of these proposals, and any others that he has in mind, on women in voluntary refuges run by Women's Aid? Will he particularly consider the supplementary benefit position of women, not only during their period in refuge, but at the point of transition when they leave the refuge and start looking for alternative accommodation?

Mr. Newton: The point about alternative accommodation is rather wide and goes into other aspects of the benefit system. Refuges would normally count as hostels, in which case the time limits would not apply. The limit would be unchanged under the proposals. As I have said, our evidence clearly suggests that the average charges for hostels are generally within the limits that we already have.

Mr. Robert McCrindle (Brentwood and Ongar): I warmly welcome the various changes announced by my hon. Friend in respect of residential homes. He and I have spoken about such homes in the past. I recognise that central London is an expensive area in which to run such establishments. Does my hon. Friend concede that costs are also fairly high in areas close to London? Would it not have been better to introduce a tapering measure so that my constituency, which is the first one just over the border of Greater London, would not be adversely affected?

Mr. Newton: I might have predicted the points raised by my hon. Friend because, as he knows, I pass through his constituency—I do so only because the roads are now so much better—on the way to my constituency, several times each week. I think that my hon. Friend understands the problem. Generally, costs are higher in London than in other parts of the country. There is no such clear pattern elsewhere. Wherever we draw a line, there will be difficulties. I regret that my hon. Friend's constituency is just outside London, but the step that we have taken is the appropriate one for the moment.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Can the Minister assure us that, once the board and lodging regulations for new applicants bite on 28 July, he will carefully review the position over coming months? Some alliance Members fear that there will be great deal of confusion and hardship as a result of those regulations. I welcome the increases effected by the changes. Do they take proper account of the extra impositions placed on residential homes by the Residential Homes Act and the Residential Care Homes Regulations?

Mr. Newton: There is no change in the time limits. New claimants have been subject to a time limit since November. From 28 July, existing claimants as at 24 November will continue not be subject to a time limit. As I understand it, the arrangements are working satisfactorily. About a quarter of the younger claimants fall within the exemption categories.

At the time we made what I might call the interim increase — which was a substantial increase — last November, we had in mind the fact that increases in the charges for registration, and so on, were coming along. The £15 a week increase in the basic residential care limit, taking November and July together, takes sufficient account of the costs imposed by the registration system.

Mr. Nigel Forman (Carshalton and Wallington): Does my hon. Friend accept that many of the changes that he has proposed are welcome, because they are well chosen and are well directed at specific deserving categories, notably the residential elderly in London? Does my hon. Friend agree that in the longer term there will be a problem that must be addressed? We must get more regional and category differentiation into some of the measures, because there is a danger that what is adequate in some parts of the country will be inadequate in central London, and vice versa.

Mr. Newton: Ideally, we should have more differentiation according to individual homes, instead of on a regional basis. That is why we attach so much importance to the working party with local authority organisations, and to the pilot studies using local authority social service assessment procedures. We hope to start these studies later this year.

Mr. Christopher Chope (Southampton, Itchen): I thank my hon. Friend for his sensitive attention to this complicated area. I thank him also for what he has done for the severely physically disabled in residential care homes. I also draw attention to the staggering sum spent on ordinary board and lodging payments. Is my hon. Friend satisfied that all that money is reaching the landlords for whom it is intended? If not, will he introduce a voucher system?

Mr. Newton: I am not satisfied that all the money reached the people for whom it was intended. We are aware that there was a degree of abuse, both among claimants and landlords. We have sought to tackle that. The result of the measures that we have taken, together with those that I have announced today, will be to reduce still further the amount of abuse, to concentrate what money is spent on those who have a genuine need for it, and to tighten up the system generally. It is clear from what my hon. Friend said that he will support our efforts.

Mrs. Edwina Currie (Derbyshire, South): I welcome my hon. Friend's excellent statement and his willingness to publish all the information available, including the Ernst and Whinney report. Does he agree that, on the basis of a rough, back-of-the-envelope computation, the increase that he has announced for residential care means an increase, since April 1985, of about 13·5 per cent. for most people in private residential care, and up to 27 per cent. for the more disabled, the blind and the handicapped? Is that not how we would expect a Conservative Government to behave — to target their money on those most in need?

Mr. Newton: I can only express my gratitude to my hon. Friend, without necessarily confirming her second figure. The first figure of 13·5 per cent. is about right. The

[Mr. Newton]

increases for particular needy and vulnerable groups are substantial. I shall check my hon. Friend's mathematics later.

Mr. Derek Spencer (Leicester, South): Is my hon. Friend aware that some local authorities, such as Leicester county council, have used the Residential Homes Act to discriminate against the private sector? Will he ensure that when the order is drafted, it is done in such a way that local authorities cannot meddle in the benefit system?

Mr. Newton: The matter would be subject to a separate order. I endorse what my hon. and learned Friend said about the tendency of some local authorities to seek to demand from homes in the private and voluntary sector standards higher than they have in their own local authority homes. We are anxious that the registration and inspection procedures should be worked in a sensible and flexible way. Within the past few months we have strengthened our advice to local authorities in that respect.

Mr. Peter Bruinvels (Leicester, East): I welcome my hon. Friend's statement and the good news that there is to be an increase in allowances for residential care homes. Noting my concern that it is a growth industry, can my hon. Friend assure the House that the payments will be properly policed? Has my hon. Friend considered making recommendations about a minimum fee and a maximum fee for those poor, unfortunate people who receive love and attention in residential care homes?

Mr. Newton: The regulations set maxima. Obviously, they do not set minima. We have enough difficulty deciding what the maxima should be, without seeking to venture down the other path. The object of policing is to get a benefits system which directs help to those who need it, and not to those who do not. Some aspects of ordinary board and lodging must be seen in the light of our announcement a few weeks ago about the injection of additional staff into the system to combat fraud generally and, not least, fraud in the board and lodging area.

Child Benefit (Upratings)

5.17 pm

Sir Brandon Rhys Williams (Kensington): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State for Social Services, in the event of an increase in the Retail Price Index in any calendar year, to lay before Parliament the draft of an uprating order which will make an increase in child benefit with effect from the beginning of the following financial year of not less than a corresponding percentage; and to make future increases in child benefit a charge on the National Insurance Fund.

It is 40 years since Parliament adopted, with all-party support, the introduction of the family allowance. That was a weekly child credit which is now incorporated in the child benefits that are the subject of my proposed Bill. The weekly tax-free allowance, payable directly to the mother, has become the central feature of our system of family income support, and it has been relied on by millions of mothers to help with the feeding, clothing and care of what must now be the majority of British citizens. It is the most economical allowance in terms of administration, because it is a universal benefit. There is no case-work. It has nearly 100 per cent. take-up. It is highly popular. One reason for that is that mothers can rely on it every week in making their plans for the household budget.

In the course of the 1970s, it was decided by Parliament to amalgamate family allowances with the child tax allowances, which were included by William Pitt in our income tax system at the very beginning — before the end of the 18th century. The purpose of the child tax allowances was to leave families with children relatively better off than those without children to support. That is a social objective which I do not think would be seriously challenged by anyone.

I have sought the leave of the House to introduce the Bill because I am concerned at two recent developments in official policy regarding families with children. One is the proposal to replace the family income supplement, which is also normally drawn by the mother, with a new family credit to be added to the pay packet of the breadwinner. The Secretary of State agreed at Report stage on the Social Security Bill to reconsider that suggestion, which has been widely condemned, but we have not yet seen his alternative proposals. My view is that we must maintain the practice of paying the money to support the children direct to the caring parent.

The other evidence of official policy towards the support of the family which is causing concern to hon. Members on both sides of the House is the lack of commitment to maintaining the real value of child benefit. The object of my Bill is to ensure that the real value of child benefit, is not diminished by inflation with the passage of time. It is, in fact, a Bill almost identical to the one that I introduced with the support of the hon. Member for Birkenhead (Mr. Field) and one of my hon. Friends — now a member of the Government — in 1980. That Bill was not opposed by a single hon. Member, but the DHSS and the Treasury have not taken due notice of that fact.

If child benefit fails to hold its real value, the practical effect is to raise the share of the total tax burden which is borne by the section of the community — between a quarter and a third of all income tax payers — who have responsibility for the care of children. In so far as child

benefit is the successor to family allowances, if its real value is reduced, there is a fall in the amount of help that we give to support poor families without obliging them to submit to a test of means.

Last year's uprating of child benefit effectively took 35p a week off its real value. The increase proposed for the coming year would not significantly restore that cut. The effect is to add to the difficulties of families seeking to keep out of the growing number of people dependent on means-tested benefits. That number has now risen to the terrible, unacceptable total of 14 million.

For those in work, an increase in child benefit has the effect of a cut in income tax, aimed selectively at families with children. For those who are not in work, a rise in child benefit assists poor families without diminishing in any way their incentive to take work and to save to improve their position.

In 1975, in the Committee on the Child Benefit Bill, an amendment proposed by my right hon. and learned Friend the present Paymaster General and Minister for Employment on behalf of the Conservative party and supported by, among others, my hon. Friend the present Economic Secretary to the Treasury and myself would have linked child benefit to the retail price index. Unhappily, under Treasury pressure, it was defeated by one vote.

In the debates on the Finance Bill in 1977, my right hon. Friend the present Chancellor of the Exchequer, the Foreign Secretary and other prominent people made clear their commitment to the indexation of the tax allowances on the basis of the principle of the Lawson-Rooker-Wise amendment; but the child tax allowances were not covered by the new rules because they were already being phased out. If child benefit had been raised since 1979 in line with the personal and married persons tax allowances, it would now be £8, not £7, a week. What has happened in practice is that a sum of more than £600 million a year in potential spending power has been lost by families with children and has been distributed to taxpayers at large, the majority of whom do not have children to support.

My Bill is intended to ensure that this process does not continue. It proposes, in effect, that child benefit in future should be treated at least as favourably as the major tax allowances under the Lawson-Rooker-Wise formula, which is accepted on both sides of the House.

My Bill includes the proposal that the necessary funds should be drawn from the national insurance fund. This is not just a trick to get around the rules of order. I think that it is important to revitalise the national insurance fund and to resurrect the contributory principle. Since the contributions to the national insurance fund were put on an income-related basis in the 1970s, many people have come to regard their contributions merely as a form of income tax. I prefer to think that the acceptance of the liability to conribute to society by paying income tax should be seen as the qualification of the citizen for the benefits of a system of income support at the times of dependency, which of course are the reasons why we pay child benefit, unemployment benefit and old-age pensions. The national insurance principle should not be lost but, instead, should be relied on to produce the necessary buoyant source of funds for the provision of a basic income guarantee.

The gross cost per week of maintaining a child in community placements with foster parents range between £37 and £50 a week. The cost in local authority residential care ranges between £270 and £420 a week. Those figures surely prove that it is good sense to give every encouragement we can to parents to look after their children in their family home. I trust that the House will approve my motion.

5.24 pm

Mr. Frank Field (Birkenhead): I rise to oppose this measure being passed without a vote. I do so because, as the hon. Member for Kensington (Sir B. Rhys Williams) has already reminded us, in 1980 the House passed a similar measure without any objection, yet the passing of that measure did not have the effect that we had hoped for on the collective judgment of the Government. Since 1980, we have had an early-day motion which has shown how strong is the support from both sides of the House for this measure. Indeed, those voluntary organisations interested in promoting child benefit have been busy at work and gained private assurances from numerous hon. Members.

Although I fully realise that votes in the House are only one way of bringing our collective view to weigh on the Government, I believe that it is a very important one. I think that I know my colleagues well enough to believe that the assurances they have given in private will be reflected, when they have a chance in the Division Lobbies, in public. Therefore, when the appropriate time comes, I shall divide the House. Needless to say, I hope that the Bill is passed with a substantial majority.

Question put, pursuant to Standing Order No. 15 (Motions for leave to bring in Bills and nomination of Select Committees at Commencement of Public Business):—

The House divided: Ayes 152, Noes 3.

Division No. 227] **[5.26 pm**

AYES

Abse, Leo
Alexander, Richard
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Aspinwall, Jack
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beaumont-Dark, Anthony
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Benyon, William
Bermingnam, Gerald
Boothroyd, Miss Betty
Bottomley, Mrs Virginia
Boyes, Roland
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Buck, Sir Antony
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cormack, Patrick
Craigen, J. M.
Critchley, Julian
Crouch, David
Cunningham, Dr John
Daiyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Eastham, Ken
Fatchett, Derek
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forman, Nigel
Forrester, John
Foster, Derek
Foulkes, George
Freeson, Rt Hon Reginald
George, Bruce
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, James *(M'well N)*
Hardy, Peter
Harvey, Robert
Hattersley, Rt Hon Roy

Haynes, Frank
Healey, Rt Hon Denis
Hughes, Robert *(Aberdeen N)*
Hughes, Simon *(Southwark)*
Hume, John
Hunt, John *(Ravensbourne)*
Janner, Hon Greville
Johnson Smith, Sir Geoffrey
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kinnock, Rt Hon Neil
Knox, David
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
Lyell, Nicholas
McCartney, Hugh
McCrindle, Robert
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
McTaggart, Robert
Madden, Max
Marek, Dr John
Marlow, Antony
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Meyer, Sir Anthony
Michie, William
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Peacock, Mrs Elizabeth
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Price, Sir David
Radice, Giles
Rathbone, Tim
Raynsford, Nick
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Ross, Stephen *(Isle of Wight)*
Rowe, Andrew
Rowlands, Ted
Sheerman, Barry
Sheldon, Rt Hon R.
Shelton, William *(Streatham)*
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Speller, Tony
Steel, Rt Hon David
Stewart, Andrew *(Sherwood)*
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Temple-Morris, Peter
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Tinn, James
Torney, Tom
Townsend, Cyril D. *(B'heath)*
Wainwright, R.
Wallace, James
Walters, Dennis
Wardell, Gareth *(Gower)*
Wilson, Gordon
Winnick, David
Winterton, Nicholas
Woodall, Alec

Tellers for the Ayes:
Sir Brandon Rhys Williams
and
Mr. Robin Squire.

NOES

Finsberg, Sir Geoffrey
Howell, Ralph *(Norfolk, N)*
Wells, Bowen *(Hertford)*

Tellers for the Noes:
Mr. Frank Field and
Mr. Archy Kirkwood.

Question accordingly agreed to.

Bill ordered to be brought in by Sir Brandon Rhys Williams, Mr. David Crouch, Mr. Nigel Forman, Sir Geoffrey Johnson Smith, Mrs. Elaine Kellett-Bowman, Sir David Price, Mr. Tim Rathbone, Mrs. Renée Short, Mr. Robin Squire and Mr. Dafydd Wigley.

Child Benefit (Upratings)

Sir Brandon Rhys Williams accordingly presented a Bill to require the Secretary of State for Social Services, in the event of an increase in the Retail Price Index in any calendar year, to lay before Parliament the draft of an uprating order which will make an increase in child benefit with effect from the beginning of the following financial year of not less than a corresponding percentage; and to make future increases in child benefit a charge on the National Insurance Fund: And the same was read the First time; and ordered to be read a Second time upon Friday 4 July and to be printed. [Bill 185.]

Foreign Affairs

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Maude.]*

5.38 pm

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): Yesterday, the House spent the entire day discussing South Africa. Today, the opportunity to consider, if the House wishes, the rest of the world has been truncated as a result of the proceedings so far. The House will be pleased to know that I do not intend to extend my sights that far. If points arise during the debate, especially if any hon. Member wishes to say anything further about South Africa, my hon. Friend the Minister of State, Foreign and Commonwealth Office will deal with them when he replies to the debate. I shall concentrate mostly on East-West relations, the NATO Alliance and arms control. I shall also say a word about the European Community in the light of next week's European Council and the United Kingdom presidency of the Community, which starts on 1 July.

The previous full-day debate on foreign affairs was as long ago as November. One point on which there has been some development since then is terrorism. I shall not rehearse all the arguments provoked by the Libyan affair some weeks ago, but I underline the growing emphasis, which will be welcomed on both sides of the House, on the simple proposition that terrorism must not be seen to be a cost-free option for fanatics. It is of the utmost importance that the world, and especially the Western world, should continue to strenthen its practical defences against terrorism. We can take some encouragement from the significant progress made in that direction.

At the Tokyo summit and in the European Community, the Western approach has been increasingly concerted. The United Kingdom has played a key role in that search for consolidation and the important follow-up work is being undertaken with diligence and enthusiasm.

It is right, as hon. Members will remind me, that we should address ourselves also to the causes of terrorism. One of the most outstanding is in the middle east, where Her Majesty's Government continue to play an active role in diplomatic efforts towards a solution to the long-running Arab-Israel dispute. The House will recall my right hon. Friend the Prime Minister's visit to Israel. I have had the opportunity to discuss in detail the position there with the American Secretary of State. King Hussein is again in Britain for talks, and the matter has been fully discussed in the EC Political Co-operation Committee.

The United Kingdom's position is unchanged; it remains based upon the principles of the Venice declaration. What is needed is action by the parties and, above all, agreement on who should participate in any talks. The judgment of all those with whom we have discussed it recently is that there is no scope for any new European Community initiative. During our presidency, we shall remain active and anxious to help in any way that we can.

That is not the only source of terrorism. The United Kingdom faces its own long-standing terrorist threat from the IRA. The House will be glad to know that the United States Senate has made valuable progress in its consideration of the extradition treaty. We warmly

welcome the continuing commitment of the United States Administration to that extradition treaty and to the Anglo-Irish agreement.

Mr. David Winnick (Walsall, North): Does the Foreign Secretary agree that Mr. Geldof's remarks regarding the IRA and the murderers on the other side of the sectarian divide in Northern Ireland have been useful and should be understood by those people in the United States who, perhaps wrongly, oppose the approval of the extradition treaty?

Is the right hon. and learned Gentleman aware that some people in Britain have been held responsible for terrorist offences in Italy? In a written reply that I have just received, the Home Secretary said that the cases are being kept under review. If we wish to be consistent, should not those people wanted in Italy for terrorist crimes be deported from Britain?

Sir Geoffrey Howe: I am sorry that the hon. Gentleman spoilt what looked like being a unique occasion. I cannot comment on his second point at such short notice. On the first point, I congratulate him on having, for the first time, interrupted me to make a point with which I wholly agree. I almost included it in my speech, and I am glad to welcome the hon. Gentleman's unusual contribution. I am sorry if I have embarrassed him.

Sadly, terrorism was a topic discussed during my visit to India some weeks ago. I expect that it will be raised again in our brief meeting with the new Indian Foreign Minister when he visits London on Monday next week. His visit will give me an opportunity, which I also take now, to underline the firm commitment of Her Majesty's Government to the territorial integrity and unity of India, to renew the offer that we have made to the Indian Government and to strengthen our bilateral extradition arrangements, which are a practical expression of both countries' shared opposition to terrorism.

Another topic discussed in India was drugs. The House will welcome the fact that the Indian Government have agreed to the stationing of two British drug liaison officers in Delhi and Bombay.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the Foreign Secretary, in the context of his discussions with the Indian Foreign Minister, be able to discuss the help that India could give to bring about constructive discussions with Sri Lanka? It is extremely important that something is done to bring an end to that conflict, which cannot be resolved by military means.

Sir Geoffrey Howe: I agree with that diagnosis of the state of affairs in Sri Lanka, which I was able to discuss during my visit to India. The Indian Government and Prime Minister take a close interest in it. If possible, I shall try to discuss it again later.

Mr. Tim Rathbone (Lewes): There has been some anxiety about answers given during a recent foreign affairs question time, that the agreement on the placing of drugs officers had been made in principle, but that the officers were not yet in place. Will my right hon. and learned Friend press the Indian Foreign Minister on that point when he meets him?

Sir Geoffrey Howe: I understand the need to secure the implementation of the agreement, but it is proceeding along the lines that my hon. Friend would wish. I share his understandable anxiety.

My journey to the subcontinent also included Pakistan. There I had the opportunity of seeing how well Pakistan is coping with the problems posed by the enormous number of Afghan refugees. I visited the Khyber pass and was immensly struck by the phrase used by the Pakistani Foreign Minister, who said that I should encounter there the noble ghosts of Britain's past. That was a striking and vivid phrase, but sadly, my impression after visiting that camp for Afghan refugees and also a Red Cross hospital was one of suffering on a massive scale. That is why the United Kingdom remains determined to keep high on the international agenda the Soviet Union's invasion and continued occupation of Afghanistan. If Mr. Gorbachev is serious in wishing to impress the world with the Soviet desire for peace, he should start in Afghanistan.

That brings me to the wider subject of East-West relations and gives me an opportunity to restate some basic facts about British foreign policy, starting with the fact that, for 40 years, the tragic division of the European continent has set the framework for a large part of Britain's foreign and defence policies. Of course, it must be acknowledged that history has given the Russians some cause to be suspicious of threats to their security, but it must also be said that, even on the most benevolent interpretation, their military posture constitutes the most massive over-insurance in history.

It is not just military tension that divides us. The Communist system has fanned Russian suspicions by preventing the free flow of people and ideas. The divide across the continent is not just military. It is also political and social. We cannot and should not seek a good relationship with the Russians at the price of ceasing to defend our values; that need not be the case. If we believed that, we should be counselling despair. The Government and I believe that East-West relations can be improved, and the tension reduced, through dialogue and exchanges.

If the search for improved relations is to be sustained, we must never allow ourselves to forget the vital difference between societies that are open and free, and societies that are closed and unfree. There is a difference.

NATO is a free alliance, based on genuinely shared values. Free peoples vote to join NATO as was evident in the resounding pro-NATO result of the referendum carried out by Spain's Socialist Government. But although NATO members are free, they are interdependent and they have freely chosen that interdependence. In that sense, Europe and the United States need each other. The commitment of American troops and arms to the defence of western Europe is central to our security. The contribution of Europe to the political cohesion and security of the free world is equally irreplacable.

I am glad to notice that there has been a growing enthusiasm among Labour Members for Europe as an ideal, not because they relish the European relationship for its own sake but because it represents a means of asserting their instinctive and growing hostility to the United States. For them, sadly, Europe is all too often an alibi for knee-jerk anti-Americanism. Our long-standing commitment to building up the strength and unity of Europe does not spring from hostility to the Atlantic relationship. Our aim is to strengthen that partnership and, for the sake of that partnership, the Alliance needs a stronger European partner to make it more balanced.

Mr. Donald Stewart (Western Isles): Will the right hon. and learned Gentleman comment on the reported remarks

[Mr. Donald Stewart]

of Mr. Caspar Weinberger over the weekend that in future, NATO troops will not be confined to the area of the North Atlantic, but will be used anywhere?

Sir Geoffrey Howe: I have not seen those reported remarks, although I know that the question of how NATO should react to out-of-area problems has been long considered. However, I would rather not be drawn into that discussion now.

Mr. Denis Healey (Leeds, East): I do not blame the right hon. and learned Gentleman.

Sir Geoffrey Howe: I am glad to have some sympathy from the right hon. Gentleman.

Since 1979, the Conservative Government have done a great deal, and with some success, to establish Britain's place in the European Community, and have worked, again with some success, to make the Community more effective. As a leading European nation, we welcome Europes growing confidence and coherence in dealing with economic problems. From time to time, economic tension is inevitable, and not always just across the Atlantic. There are new sources of economic tension, such as Japan and the new industrialised countries.

A strong European voice helps to make each of these problems more manageable. They are some of the issues that will be high on the agenda of Britain's six-month presidency of the Community starting next month. The presidency gives us the opportunity to secure progress on many fronts. One immediate objective is to avert, if we can, a major trade war between Europe and the United States. This was discussed at the Foreign Affairs Council in the first two days of this week, and the proceedings of that Council are reported in a written answer to a parliamentary question, given by my hon. Friend the Minister of State, the Member for Wallasey (Mrs. Chalker).

On the single question of the transatlantic trade conflict, it must be said that the accession of Spain and Portugal to the Community has affected some sections of United States trade. The economic effects of that are of modest significance when compared to the inestimable importance of binding two more countries through treaty ties to the Western democratic family of nations. We in Western Europe have been ready to pay an economic price for that, and we are entitled to look for a similar willingness from our friends in the United States.

Mr. William Cash (Stafford): In the context of the adjourned debate on the European Communities (Amendment) Bill—and I agree with everything that my right hon. and learned Friend has said about the need for greater political and economic movement within Europe—will he confirm that there is no intention to move, through the use of the Bill, towards any kind of federal Europe?

Sir Geoffrey Howe: I confirm that that question, which my hon. Friend says arises from the adjourned debate on the Bill, is best left to consideration within that context. I shall not be drawn into any such consideration now. I ask my hon. Friend not to be unduly perturbed by fantasies of a federal Europe and to take the matter calmly. Instead, let him join me in ensuring that the Community focuses on another practical question and one of great importance—the world agricultural problem. It is of value and importance that that was identified at the Tokyo summit, which called for global action to redirect the policies and structure of worldwide agricultural production.

It is also important that the general agreement on tariffs and trade round will include agricultural trade matters, as well as trade services. The problems of the CAP are a part, but only a part, of this world problem. Europe has a cereals surplus of about 17 million tonnes while America's cereals surplus is about 80 million tonnes. All the countries that are seeking to look after their agricultural communities, and struggling with the resultant surpluses, know that we must address the problem in concert. The CAP must adapt to changing circumstances, which must be a continuing process, and the CAP will be high on our agenda in the Community in the next six months.

We shall be dealing as well with internal Community issues. We need to keep a tight rein on the Community budget so that we live within our resources. We have a great deal to do in opening up the Community's internal market. A few weeks ago, in consultation with Ireland and Italy, we made three specific proposals for employment growth into the next decade. We hope that that will be the basis for an action plan during our office.

At the heart of all this is our commitment to setting up the largest market place in the world, within which people, goods and services can circulate easily. The United Kingdom is playing a leading and active part in formulating the European positions on all these subjects. We are doing so because we are, in that context, trusted and reliable partners. That would certainly not be the position if we followed the policies of Her Majesty's Opposition. They would isolate us not only in Europe but within NATO as well. That is why it is so important for us to have a clear understanding of Britain's place in the world, of the real threat to Britain's security. Only if we understand those things can we play our full part in collective defence and the collective pursuit of arms control.

The facts are not always palatable, but we do not do the East-West dialogue any service if we refuse to face them. The underlying realities have not changed. During the past 17 years, while the United States has observed a unilateral moritorium, the Soviet Union has amassed 300,000 tonnes of chemical weapon nerve agents, many times more than the rest of the world together. In Europe today, between the Atlantic and the Urals, the Warsaw pact has a superiority of some 1 million troops over NATO, three times as many tanks, three times as many artillery pieces and twice as many tactical aircraft.

Mr. Martin Flannery (Sheffield, Hillsborough): Where do the figures come from?

Sir Geoffrey Howe: I do not know why hon. Members are so astonished. These are the facts, as set out in the defence White Paper each year. It may be uncomfortable for Labour Members to know this.

Mr. Jeremy Corbyn (Islington, North) *rose*——

Sir Geoffrey Howe: No, I shall not give way.

Soviet military might on that scale represents a danger for our security that we neglect at our peril. In the face of that threat, nuclear deterrence continues to play a key role in the defence strategy of Britain and NATO. There is no room for the irresolution and gullibility of the Labour

party on a question such as this. We are right to provide bases for the NATO deterrent and to maintain the credibility and effectiveness of the British deterrent, and we are right to keep our conventional forces up to strength.

It is interesting to see the way in which Opposition Members have helped to establish the case that I seek to make. The right hon. Member for Plymouth, Devonport (Dr. Owen), who is not honouring us with his observations today—he may be in unarmed combat with the other David—said on 1 June:

"we should be ready to replace Polaris with a minimum deterrent."

I want to be even-handed and draw my witnesses from more than one place, so I agree, too, with what the right hon. Member from Leeds, East said a few days ago, which was:

"if you want to replace Polaris"—

that is the aspiration of the right hon. Member for Devonport—

"there is, in fact, no alternative to Trident".

That is precisely why Her Majesty's Government are committed to the Trident programme. That is precisely why the logic of the Social Democratic party will lead at least the leader of that party to support the Trident programme. It will no longer be possible for the right hon. Member for Plymouth, Devonport (Dr. Owen), within the SDP, to cobble together a fudge with the unilateralists in the Liberal party. They know that better than anyone. The leader of the Liberal party argues and claims that the party's policy position does not amount to unilateralism, but with respect that is disingenuous.

A credible British deterrent in the 1990s means modernisation of the British deterrent now. By trying to put off that position, the leader of the Liberal party and the Liberal party are seeking to achieve unilateralism by obsolescence — obsolescence through inertia, a fate similar to that of the Liberal party in the past. *[Interruption.]* I am astonished to be receiving such acclamation from the Opposition Benches.

The chasm between those who oppose an independent British deterrent and those who favour an independent British deterrent will not easily be papered over by an SDP-Liberal commission. Until recently we thought that we knew where this massive alliance stood on these issues, represented as it is by the somewhat solitary looking figure of the hon. Member for Berwick-upon-Tweed (Mr. Beith). Until recently we knew that the Liberals were opposed to the maintenance of an independent deterrent and that they were opposed to the deployment of cruise. We knew that the SDP supported the deployment of cruise and that it was ready to replace Polaris. The position was perfectly clear—total disagreement. Now there is a much firmer position—a firmly proclaimed maybe. The leader of the Liberal party got it right, I suppose, when he said the other day on "Weekend World":

"If we can't agree before we get into government, how are we going to agree in government?"

I am happy to say that that is a question he will be able to contemplate for many years to come.

I turn to the subject in a more serious fashion. The British and French deterrents are in fact very modest in comparison with the Soviet nuclear arsenal, but certainly they are not so small that Mr. Gorbachev ignores them. On the contrary, he knows what they are. He knows that they are an effective deterrent. That is why he hopes to persuade us either to abandon them or to let them fall into obsolescence. That is the basis of the beguiling suggestion that was made to the right hon. Member for Leeds, East (Mr. Healey), that the Soviet Union will cut one missile for every strategic missile that we cut.

Mr. Healey: It was made to Lord Whitelaw.

Sir Geoffrey Howe: That may be so, but Mr. Gorbachev gave a different answer to the right hon. Gentleman.

However, the proposal conceals a fatal and important flaw. The Russians have over 50 times more missiles than we have. That discrepancy did not in the least discourage the Leader of the Opposition and the right hon. Member for Leeds, East from accepting the offer with enthusiasm. It would have been amazing to see the look of astonishment on the face of Mr. Gorbachev when they snapped it up with enthusiasm. Mr. Gorbachev knows, even if the Leader of the Opposition and the right hon. Member for Leeds, East do not, that this missile for missile offer is total and utter nonsense. Those are not my words. They are the words both of *The Guardian* and of the *Daily Mirror*. As *The Guardian* said, and I do not often find myself quoting it:

"The millionaire and the pauper do not equalise their status by each throwing away a few £5 notes."

On that basis, the position of the Labour party—to give away our deterrent for next to nothing — is as dishonourable as it is ridiculous.

One wonders how it came about that the Leader of the Opposition and the right hon. Member for Leeds, East accepted this proposition. One can reflect upon the ventures of the Leader of the Opposition into the deeper waters of foreign policy and conclude that he is still not safe to be allowed out without his water wings, but when one comes to the case of the right hon. Member for Leeds, East we have a different explanation.

The House will remember that in the article he wrote the other day the right hon. Gentleman was positively carried away by the "sapphire skies" and "perfumed lilacs" of the Moscow spring. He waxed lyrical about them in *The Observer*. And increasingly it must be said, as we look at the right hon. Gentleman, that one gains the impression of someone who, in the twilight of his political career, is returning to his first undergraduate love. I only wish that he showed half as much commitment to the NATO Alliance as he brings to his self-appointed role as Mr. Gorbachev's PR man in this country.

Of course there is a role for dialogue between East and West. That is a dialogue in which the United Kingdom is playing and must play a leading part. Neither side needs to be armed to the teeth to be secure. Neither side, quite frankly, can afford to be armed to the teeth to be secure.

Mr. Tom Clarke (Monklands, West): Will the right hon. and learned Gentleman allow me to say that the kind of response he is now making to Mr. Gorbachev was not the response of his Conservative colleagues when that meeting took place? I happened to be there. Will he tell the House whether he agrees that there should be a summit meeting between Mr. Gorbachev and President Reagan and, if he does, what influence he is exerting in that direction?

Sir Geoffrey Howe: I am just coming to the point that has been raised by the hon. Gentleman.

I was saying that there is certainly a role for the United Kingdom in promoting the dialogue that all of us want.

[Sir Geoffrey Howe]

Neither side can be armed to the teeth to be secure. Neither side can afford to be armed in that way. Of course we acknowledge, as I acknowledged earlier in my speech, that Soviet anxieties about security exist. We have no doubt, however, that patient diplomacy can promote Western interests and security for us all. That is one of the reasons why I have made a point of visiting the Soviet Union and all the countries of eastern Europe; that is why we were very glad to welcome Mr. Gorbachev here in December 1984; that is why we intend to maintain the dialogue between the Prime Minister and Mr. Gorbachev; that is why, on the recent parliamentary visit to the Soviet Union, to which the hon. Member for Monklands, West (Mr. Clarke) referred, the Lord President of the Council did just that; and that is why I am pleased to be able to tell the House that the Soviet Foreign Minister, Mr. Shevardnadze, is coming to Britain on 14 and 15 July. It will be an important visit. I am looking forward to our discussions on arms control, regional and bilateral questions and human rights.

In pursuing that dialogue it would be foolish to expect that tremendous unilateral gestures by the United Kingdom will in themselves be a catalyst for agreement between the super powers. Certainly we wish that summit meeting to take place—and more than one such meeting in due course. The United Kingdom can, does and will continue to play a part in seeking, to bring about progress.

We believe that the Soviet Union is now seeking seriously to join the United States in the search for an agreement. Certainly it makes sense to proceed upon the basis of that presumption. That is what we mean when we say that we believe that we can "do business with Mr. Gorbachev." Mr. Gorbachev has his own reasons for wanting a significant arms control agreement. He knows the implications of a continued arms race for the Soviet economy, which cannot indefinitely satisfy both the military and the Soviet consumer. The Soviet arms build-up already absorbs——

Mr. Reg Freeson (Brent, East): That applies to all other countries.

Mr. Geoffrey Howe: I am not seeking to challenge that. One of the most profound reasons for seeking success in the search for arms control is the burden of arms expenditure on all nations. I do not need to be reminded of that. Indeed, anybody who has held the office of Chancellor of the Exchequer knows that as clearly as anybody else.

However, for the Soviet Union, the arms build-up already absorbs nearly 16 per cent. of its gross national product, and on present trends that percentage will continue to grow. So Mr. Gorbachev, like every other responsible leader, has a strong interest in reaching agreement on arms control.

Mr. Freeson: The reason for my intervention was that the right hon. and learned Gentleman was singling out one major power for his remarks in connection with the balance between economic prosperity and the arms burden. The whole world cannot carry on like this. Millions of people are starving in Africa, while millions of other people throughout the rest of the world are living in poverty. That will lead to war, unless all of us can do something about it, instead of just pointing the finger at others.

Sir Geoffrey Howe: The hon. Gentleman is remaking the point that I made, but with this important addition. The countries of the Western world have to take decisions about their arms expenditure as a result of democratic consideration through the ballot box and the House of Commons. There is always the check of democratic control on the arms expenditure of democratic Governments. The Soviet Union, because of its political structure, is far better able to sustain the massive arms expenditure that it does. It is only on that basis that it is able to sustain the massive 16 per cent. of its GNP on arms. For the Soviet Union, as well as for other countries, the need to recognise the constraints of economic resources in the end begins to tell and that is why there is that motivation.

Mr. Patrick Cormack (Staffordshire, South): Does my right hon. and learned Friend also agree that the Soviet Union spends far less on paying its troops and much more on hardware than we do?

Sir Geoffrey Howe: Yes, many components of Soviet expenditure are worth studying.

Mr. Healey *rose*——

Sir Geoffrey Howe: The right hon. Gentleman will have his opportunity in a moment.

Mr. Healey: I thank the Foreign Secretary so much.

Sir Geoffrey Howe: The question to which I want to address myself for the last minute or so——

Mr. Corbyn: Will the right hon. and learned Gentleman give way?

Sir Geoffrey Howe: No, not now, I am sorry.—is how best to move towards the agreement that we want. Until recently, it must be said, the Russian approach has consisted mainly of unrealistic proposals, backed up by well-orchestrated appeals to world opinion. That is no way to proceed. But there are elements in the Soviet proposals, including those outlined by Mr. Gorbachev in his speech two days ago, which we believe deserve exploration. We must emphasise that progress can only be made not at press conferences but at the negotiating table. Of course, adequate verification measures remain all-important.

The recent discussion of SALT II has raised those problems starkly. The United States has been right to stick until recently to the terms of that agreement. It is right now to dismantle its two Poseidon submarines accordingly. But it must be said that the best should not be the enemy of the good. It is our hope that the United States will not feel the need to abandon the SALT II limits, despite the evidence that it has of Soviet non-compliance.

Of course, there is also an onus on the Soviet Union to demonstrate its willingness to respect those agreements strictly. If not, the mutual confidence required for future progress is in danger and everyone loses. So it is important to remember that a dialogue is taking place between East and West on these important issues. The latest Warsaw pact statements in Berlin and Budapest are now looking more like a serious response to the West's proposals.

Finally, let me remind the House of those proposals in simple terms — comprehensive and coherent arms reduction proposals that were reiterated by NATO members last month in Halifax. There are five distinct elements of the NATO arms control package—first, a 50 per cent. cut in strategic nuclear weapons; secondly, the

total elimination of intermediate range nuclear forces—an entire category; thirdly, a worldwide total ban on chemical weapons; fourthly, the progressive reduction of conventional forces in Europe, eventually covering the whole continent from the Atlantic to the Urals; and, finally, wide-ranging confidence-building measures. That approach serves the interests of not just the United Kingdom but the Alliance as a whole. It is an approach in support of which the United Kingdom will continue to play its full part.

Arms control has to be tackled responsibly. As a distinguished British elder statesman has said,

"it is the stability of the military balance between NATO and Warsaw Pact which has kept Europe at peace for over 30 years. . . NATO's nuclear strategy is an essential part of that balance. To threaten to upset it by refusing to let America base any of her nuclear weapons in Britain would make war more likely, not less likely".

Those words are just as true today as they were then spoken in 1981 by the right hon. Member for Leeds, East.

We have taken account of the realities. We have worked and will continue to work to protect and promote British interests, not just in arms control and East-West dialogue, but across the whole range of foreign policy issues. We shall continue to go on doing just that.

6.14 pm

Mr. Denis Healey (Leeds, East): I must start with the unfamiliar experience of congratulating the Foreign Secretary on a very lively speech. I have sometimes made rather unkind ovine comparisons about him, but I am bound to say that for much of his speech this afternoon he was frisking like a lamb, although on some occasions he presented a slightly less agreeable spectacle verging on the bizarre or even the macabre, like a dead fleece twitching. Nevertheless, taken all in all, I could not see more than six Conservative Members asleep at any time in his speech, and that must pretty well be a record.

Like the Foreign Secretary—unlike him I mean what I say—I plan to concentrate my remarks on the state of East-West relations and their impact on relations between America and Europe inside the Western Alliance. I want to discuss a little something that the Foreign Secretary hardly mentioned, although it is a British foreign affairs debate — the proper role of Britain in this complex situation. However, I must say one word about a matter which bears or could bear very directly on East-West relations and which the Foreign Secretary practically ignored, and that is the dangerous situation at the moment in the middle east.

We have a war in the Gulf between Iran and Iraq that could reach a climax this summer if Iran, as is not impossible, wins its summer offensive and then moves south into the Gulf states or exerts pressure on those states. This is an issue on which the Soviet Union and the United States seem to have recognised a common interest, but I am deeply disturbed that the new French Conservative Government seem to be attempting to intervene in that war on the side of Iran. I hope that when the Under-Secretary replies he will say something about Her Majesty's Government's attitude towards that new French adventure.

The other part of the middle east situation which presents serious problems is the growing tension between Israel and Syria. The Foreign Secretary may recall that only a few weeks ago when President Reagan was in Tokyo he made some remarks about Syria which were interpreted by Mr. Rabin, the Israeli Defence Secretary, in Washington that day, as implying the readiness of the United States to support military action by Israel against Syria. I am glad to say that Prime Minister Shimon Peres in Israel immediately took pains to deny that Israel had any aggressive intentions of that nature. But the party composition of the Israeli Government is due to change in October, and I hope that the Under-Secretary will tell us something about Her Majesty's Government's attitude——

Sir Geoffrey Howe: The Minister of State will reply.

Mr. Healey: I am sorry. I apologise for downgrading him. He certainly deserves to be Minister of State. I hope that he will also be a Privy Councillor. My word, what a wonderful life.

I hope that the Minister of State will say something about this because it is a situation which could turn dangerous at any time over the next few months, indeed during the summer recess.

Let me deal now with the major problem of East-West relations. I think that all of us in the House welcomed the summit conference between President Reagan and Mr. Gorbachev in Geneva last year. We all hoped that it had established a degree of personal confidence between the two leaders which would make rapid progress possible on major areas of disarmament and some of the regional problems which are currently the most likely cause of war, such as the middle east, which I have just mentioned, Afghanistan—I endorse what the Foreign Secretary said about that and we raised it with Mr. Gorbachev when we were in Moscow—southern Africa and Central America. I hope that he is as disappointed as we are that there has been no visible sign of progress in East-West relations since the Geneva summit. Rather, the reverse has been the case. In their press statement after the summit, President Reagan and Mr. Gorbachev assured the world that neither side sought military superiority over the other. President Reagan has repeatedly made speeches since then which suggest that he seeks military superiority over the Soviet Union, and notably in a speech at a recent ceremony in a marine training school in the United States. Mr. Weinberger and his Mephistopheles, Mr. Perle, have frequently gone much further.

President Reagan has lumped Mr. Gorbachev together with Castro, Arafat and Gaddafi as enemies of peace, although when that was pointed out to him he said:

"I must have goofed some place because, believe me, I do not put him in the same category."

Inevitably, world statesmen take seriously the words used about them by other world statesmen. In some areas the United States Administration have added to these verbal insults some real injuries. The bombing of Tripoli led to the postponement of the Shultz-Shevardnadze meeting which was supposed to set the agenda for the forthcoming second summit in the United States. The Foreign Secretary must agree that Britain's support for that bombing postponed the Shevardnadze visit to London, although I was delighted to hear from him today that that visit take place in a few weeks.

President Reagan's public decision to abandon the SALT 2 constraints next autumn on the eve of his proposed date for the next summit conference must be seen by everybody who follows these events as a damaging blow to East-West relations. In the same week Washington vetoed proposals to improve human contacts between East

[Mr. Healey]

and West. Those proposals had already been agreed in Berne by the United States local representative and were supported by all of America's allies.

All these decisions by the United States Government were taken in flat defiance of the known views of all their allies. They deliberately sought to ascertain those views through visits by General Walters to Europe about the Tripoli bombing and a visit by Mr. Nitze to Europe about the denunciation of SALT 2. I am surprised that in the course of his speech the Foreign Secretary paid no attention to the great strains which have undoubtedly been imposed on the alliance as well as on East-West relations by those actions of the American Administration.

On top of the military and political strains on the Alliance there is now—the Foreign Secretary used these words—a trade war looming because the United States has decided to cut its imports of European food and drink in retaliation for what it sees as discrimination against some of its products as a result of the entry of Spain and Portugal to the Common Market. I fully endorse what the Foreign Secretary said about this matter, and I hope that his actions will follow his words. As an ex-Chancellor of the Exchequer, nobody knows better than the Foreign Secretary that a trade war between two parts of an alliance would have the most damaging political and military consequences.

Mr. Winnick: Does my right hon. Friend agree that what causes much offence in western Europe but certainly not to the Foreign Secretary and his supporters is the way in which the United States supports by various means terrorist regimes in Latin America in places such as Guatemala and certainly in Chile, while at the same time doing its best by military and diplomatic means to undermine a Government the United States does not like, the Government of Nicaragua?

Mr. Healey: I support my hon. Friend the Member for Walsall, North (Mr. Winnick) on that matter. One thing that slightly surprised me in the Foreign Secretary's speech was his suggestion that his loyalty to all the divagation in American policy was strengthening Britain's position in Europe. He must know better than anybody that the apparent deceit that he perpetrated against his European colleagues on the eve of the Tripoli bombing, which he knew would take place, and his support for that bombing and his position on central America have all caused serious strains between us and our European allies.

While all that has been happening on one side, the Soviet Union has made a series of new offers to the United States and the West on all the major areas of the disarmament negotiations, and so far no positive response has been elicited from the United States or the West on any one of them. Mr. Gorbachev made it clear to the noble Lord Whitelaw and to the other members of the recent delegation to Moscow that he has no interest in going to the United States for a second summit simply as an actor in a television commercial, the purpose of which is to boost President Reagan's image as a peacemaker. Mr. Gorbachev will not go the summit if there is no prospect of concrete results coming from his visit. The British Government have always rightly taken the view that summit conferences which do not produce concrete results are likely to do more harm than good.

There has been much speculation in the West, and we had a little from the Foreign Secretary today, about whether the new Soviet proposals were intended seriously and sincerely or were made simply to divide the Alliance. I recently returned from the Soviet Union. I was a member of an Inter-Parliamentary Union delegation and I was deputy leader to the deputy leader of the Government—a sort of gentleman's gentleman. The impressions which I will describe of this visit would be endorsed by all the other members of the delegation. The delegation consisted of hon. Members from all parts of the House, and we would all agree on our impressions, although we might draw different conclusions about the policies that the Government ought to follow.

We all left the Soviet Union with the conviction that Mr. Gorbachev sincerely wants disarmament, not because he sees himself as potentially militarily inferior to the United States, because in some key areas he is potentially superior, not least in space, as was pointed out in "Jane's" this week. That is especially true in the shadow of the recent dsasters in the American space programme. Mr. Gorbachev sincerely wants disarmament because he knows that it will be much more difficult to carry out his plans for economic reform in the Soviet Union if he cannot make cuts in his programme of defence spending. I endorse what the Foreign Secretary said about that, although I found that the slightly contemptuous way in which he described the situation came ill from a key member of a Government who came into office pledged to increase defence spending by 3 per cent. a year and have just decided for economic reasons to cut it by 6 per cent. over the next three years. I shall come back to that in a moment.

We concluded that Mr. Gorbachev genuinely wants disarmament. Secondly, I think we all agree that he has brought from Stavropol a fresh mind to Soviet foreign policy and is trying to feel his way towards a new approach. The House will know that since the Russian revolution of 1917 Soviet foreign policy has been dominated by the doctrine of the two camps — the capitalist camp and, as the Soviets call it, the Socialist camp — which are doomed to be locked in everlasting conflict until the final victory of the Socialist camp. This doctrine was fleshed out in some detail by Zhdanov shortly after the second world war.

To me, as to any student of the Soviet Union, the most important single statement made by Mr. Gorbachev since he took over was made in his speech at the recent party congress in Moscow. In it, he buried the doctrine of the two camps for good, and invoked the concepts of Leninist theory in order to justify that burial. I should like to read what he said, because it was a speech to the party faithful by the head of the party and not a speech by the leader of the Soviet Union to foreign journalists. He said:

> "The prevailing dialectics of present-day development consist in a combination of competition and confrontation between the two systems and in a growing tendency towards interdependence of the countries of the world community. This is precisely the way, through the struggle of opposites, through arduous effort, groping in the dark to some extent, as it were, that the controversial but interdependent and in many ways integral world is taking shape."

That profoundly important statement was made by the leader of the Soviet Communist party and the head of the Soviet Union. It implies a totally different approach to the problems of the outside world. I believe that it will prove

as cataclysmic in its consequences as the famous secret speech of his predecessor, Khrushchev, to another Soviet party congress 30 years ago.

The bombardment of new proposals from Mr. Gorbachev during the past 12 months represents an attempt to achieve that interdependence by, to quote him, "groping in the dark . . . as it were".

From our visit we gained the impression that a great upheaval is still going on in the personalities and structure of the machine that makes foreign policy in the Soviet Union. Mr. Shevardnadze, a man with deep party experience but no experience of world affairs, has been made Foreign Secretary. Mr. Dobrynin, a man with deep experience of diplomacy, who has spent 24 years in Washington, has been put in charge of the party machine. Mr. Yakovlev, who has served as ambassador in Canada, is a key figure in Mr. Gorbachev's inner Cabinet.

I think that we all agree that Mr. Gorbachev is now running Soviet foreign policy. That is a quite different situation from that prevailing during the latter years, at least, of Mr. Brezhnev, when Mr. Gromyko, now the President, was running foreign policy. We also gained the impression, which was recently confirmed in a public statement by Mr. Falin, the head of the Soviet news agency in Bonn, that because of the upheavals in the structure in Moscow, it is taking time for some of Gorbachev's publicly stated ideas to work through to the coalface of negotiations in Geneva.

One good example is the change in Soviet policy on research into star wars. Mr. Gorbachev first said that he thought that there should be a distinction between research in laboratories or universities, and the testing of models, in an interview with *Time* magazine journalists last autumn in Moscow. But that surfaced for the first time as a formal negotiating position in the recent proposals made privately by Mr. Gorbachev to President Reagan, the details of which have been slowly leaking out during the past few weeks.

If we are wise, we must accept that the real nature of the new Soviet negotiating position will take some time to work through. But it is already clear that in almost every aspect of disarmament Mr. Gorbachev is making his negotiators adopt a very different attitude towards the problem of verification. He has made it clear, as Mr. Zagladin made it clear to our delegation when we were in Moscow, that the Soviets are now prepared to allow on-site verification in many of the most important areas. I believe that those changes are important, and I deeply regret the fact that the Foreign Secretary completely failed to refer to them. He just treated us to a turgid rehash of the defence White Paper without paying the slightest attention to those very important new initiatives or to that important new trend of policy in the Soviet Union.

I shall now look at the American side of the equation. The Foreign Secretary, in his usual way, accused anybody who attacked any aspect of President Reagan's policy of being anti-American. Let me remind him that I have said nothing in criticism of President Reagan's policy that has not been said with far greater force by American ex-Ministers with whom I have worked, as Secretary of State for Defence and as Chancellor of the Exchequer, in Washington. I think, for example, of Mr. McNamara. Indeed, my criticisms of the President's strategic defence initiative had already been made by each of the last three American Presidents: two Republicans, Mr. Ford and Mr. Nixon; and one Democrat, Mr. Carter.

The most telling criticism of President Reagan's foreign policy was made by one of the most outstanding contributors to American international policy since the war. I refer to Mr. George Ball, who served as Minister of State under several American Presidents. He said that American foreign policy today reminded him very much of a series of pictures in a strip cartoon called, I believe, "Peanuts". That cartoon figures a rather innocent young man called Charlie Brown and a young lady who bears some resemblance to our Prime Minister called Lucy. Lucy is talking to Charlie Brown, and says: "Charlie, you should know that on this great ocean liner of life, upon which we have both embarked, there is a sun deck and deck chairs. Some of us will put up our deck chairs facing the stern of the ship so that we can see where we are coming from, and some of us will put up our deck chairs facing the prow of the ship so that we can see where we are going. Charlie, where are you going to put your deck chair?" Charlie replies, "Well I just don't seem able to get my deck chair unfolded." That paints a picture of American foreign policy today.

The tragedy is that the struggle between the ideologues and the pragmatists that we witnessed when President Reagan first took over, still continues. We had a period of some months when the pragmatists appeared to be winning. We have had periods, such as the one in which we are now enmeshed, when the ideologues have been winning. Nothing shows that more clearly than the President's surprising and confusing behaviour on SALT 2. He began by saying only a few weeks ago that he would unconditionally break the limits imposed by SALT 2 and that SALT 2 no longer had any force. A few days later he told the world at a press conference that his decision would depend on whether the Soviet Union could be persuaded "to join in things they are talking about: arms control and arms reductions."

The President then said that he would have to break SALT 2 because it was blocking plans to modernise America's strategic forces. Of course all his acolytes joined in. Mr. Larry Speakes publicly contradicted the President and said that SALT was dead. The next day, the Secretary of State, Mr. Shultz, said:

"I do not like the use of the word 'dead'".

There is similar confusion over America's reaction to the latest Soviet proposal for deep cuts in strategic forces on condition that the anti-ballistic missile treaty is prolonged for another 15 to 20 years. For the first time, the Russians have said that they would not oppose research into space weapons, provided that there were no tests of models. That is a proposal which the British Government should solidly endorse. The Prime Minister's only reason for opposing a ban on research into strategic defence was that it would not be possible to verify research, but the Russians are now offering to forgo a ban on the sort of research that cannot be verified and to have a ban on tests of models, all of which can be verified. When the Minister of State replies, I hope that he will tell us that, now that the Russians have removed the obstacle which prevented the Prime Minister from opposing star wars when she first met President Reagan on the matter some 18 months ago, the Government will change their mind.

We are told by the newspapers that Mr. Kampelman, the President's negotiator, believes that it is well worth exploring the offer and that President Reagan sent an encouraging letter to Mr. Gorbachev at the same time. We read in this morning's edition of *The Times*, however, that

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a senior Pentagon official — Mephistopheles again, I suspect — Mr. Perle, told the defence correspondent of *The Times* only yesterday that America would reject the Soviet offer because it would block star wars.

It is difficult for any Government, allied or otherwise, to negotiate with Washington when its policy is so confused and contradictory. It is not anti-American to say that, because this criticism is made in the United States day in and day out by those who have been responsible for American defence policy, foreign policy and disarmament policy.

In spite of this, I think that we would all agree — those of us who visited Moscow recently — that there is no question but that the Soviet Union is anxious to negotiate on all these issues if it is humanly possible to do so. One advantage of having Mr. Dobrynin at the top of the party policy structure in this area with 24 years of experience of the Washington jungle and many close contacts — even friends — among senior American politicians and officials is that the Russians will not easily take no for an answer. Although the abandonment of SALT 2 by the United States, which is threatened for this autumn, could allow the Soviet Union to establish a commanding lead over the United States by doubling the number of warheads on their intercontinental SS18s—as the Foreign Secretary will know, this is why the American chiefs of staff were insistent that the United States should observe the limits — I believe that their response to anything that the Americans do will be proportionate, and that they will wait and see before they take any action.

With American policy so contradictory and so confused, I believe that Mr. Gorbachev and President Gromyko—the latter made the same point when he met us — were sincere when they said that they hoped that the United Kingdom could play a constructive role in helping the super-powers to reach agreement. President Gromyko made a comparison with the role that Sir Anthony Eden had played on many occasions during on many occasions during and after the war. I have no doubt that this is why, in spite of disappointment with some aspects of British policy, Mr. Gorbachev has decided finally that his Foreign Secretary should meet our Foreign Secretary to discuss these matters.

I shall run quickly over the areas where I believe that the British Government could make a useful contribution. First, there is the ban on chemical weapons. From the way that the Foreign Secretary discussed the matter, one would not have thought that the British Government were deeply concerned about the American proposal to produce binary weapons and have refused to commit themselves to receive them if the American Government request them to do so. Perhaps the Foreign Secretary will confirm that. No, he has sunk in a study of his papers. That is very wise.

Britain is chairing the discussions that are taking place in Geneva on a ban on chemical weapons. I understand that Mr. Issraelyan has been in London this week — he may still be here — to discuss this issue. I hope that the Minister of State will tell us something about the attitude that the British Government will take in the talks. We were told in Moscow that the Soviet Government are now prepared to allow the on-site inspection of the destruction both of stocks of chemical weapons and their production facilities. That certainly removes a major obstacle — perhaps not every obstacle — to an agreement. The whole world would breathe more easily if that could be achieved.

The second area in which I believe that we have a central responsibility is negotiation for a comprehensive ban on nuclear tests. We on the Opposition Benches — I think that I speak for all the Opposition parties that are represented this afternoon, but I am not quite sure what the latest position of the party for Devonport is on this matter — believe that a comprehensive test ban treaty would be by far the first and best contribution to a complete freeze on the development of new weapons.

Scientists have long believed that verification is possible even without on-site inspection. We were told that the Soviet Government have now agreed to on-site inspection of test sites both by national and international means, by which I would assume that they would accept the manning of monitoring stations inside the Soviet Union by representatives of the non-aligned states, which have promised to undertake this responsibility.

We are still told that the United Kingdom wants such an agreement; the Prime Minister has said so on many occasions. Why does she not invite the Soviet Union and the United States to meet Britain, as they did up to a few years ago when America broke off the talks, to discuss the introduction of a ban? Or are we sliding into outright opposition to a ban because the Ministry of Defence believes that we need tests to perfect the Trident warhead? I was confused, as I expect all Members were, by an answer given on 13 May by the Secretary of State for Defence, who said:

"We all wish that a way can be found as soon as possible of eliminating nuclear weapons altogether; but, while they are there, testing is essential for safety and operational reasons."

The British Government have never said that in the past. But then the dear old Secretary of State for Defence went on to say:

"The Government's policy is to do everything possible to negotiate a comprehensive test ban treaty as soon as verification can be made credible." — [*Official Report*, 13 May Vol. 97, c. *542*.]

What the hell is the Government's policy? Are they in favour of a ban if verification is possible, or are they against one as long as nuclear weapons exist? I hope that the Minister of State will clear up this disturbing confusion. Until the Secretary of State for Defence made his statement neither the Government nor any other Government had maintained that testing of existing weapons was necessary.

The third area where progress is possible and where we can play a role is on the strategic defence initiative. The Russians have now accepted the Prime Minister's position that it is not possible to verify a ban on research in people's heads or laboratories. It is possible, however, to ban the testing of models. Indeed, both sides announce these tests when they are carried out because they know that the other side will observe them.

Will not the Government reconsider their support for the strategic defence initiative? Any commercial gains that they might have expected from co-operation with the initiative went for a burton a long time ago. We know that British firms now expect at the most a few scores of millions of dollars against the $1,500 million for which the previous Secretary of State for Defence was asking. We know also that British participation in the research will be damaging to our own research efforts and will be subject

to technological control by the United States. I hope that the Minister of State will tell us whether the Government are prepared, in the light of this new situation, to change their position on SDI.

Mr. Tam Dalyell (Linlithgow): As one who has constituents in Heriot-Watt university working on optical lasers, may I tell my right hon. Friend that some of those engaged in the work are worried—and not before time—about intellectual property rights, an issue which has not been sorted out?

Mr. Healey: I am aware of that, and I hope that the Government will publish the memorandum of understanding. The German memorandum has already been leaked totally to a German newspaper and some of the features of the German memorandum of understanding are profoundly disturbing to us in Britain. There can be no security reason for the British Government not publishing the same details.

Mr. Ivan Lawrence (Burton): Before the right hon. Gentleman leaves the subject of SDI, is it not obvious that Mr. Gorbachev and the Soviet authorities are so anxious to come towards the West and scale down the expense of their armaments because the United States is developing SDI and the fear of the expense of that is too great for the Soviet authorities to contemplate?

Mr. Healey: The Soviet authorities obviously do not want to spend money on SDI. I am glad that the hon. and learned Gentleman has that feeling. We are always told by the United States that the Soviet Union is spending more money on SDI than the United States. That, of course, is totally untrue and I am glad that the hon. and learned Gentleman agrees with me on that.

The point about SDI is that the Soviet Union does not want to have to spend more money in an area which will compete with the introduction of new technology into its own industry. However, it is capable of doing so if it is forced. It does not want to spend more money on any weapons, nor do we in Britain—which is quite clear from the Government's decision—or the American Congress. The real question is whether we can turn those economic pressures into useful disarmament agreements. I believe that we are now moving into a world in which the pressure of defence spending on national budgets is becoming intolerable for everybody, for us in the West no less than for the Soviet Union.

The American Congress is imposing a cut on planned American defence spending of $80 billion over the next three years. The British Government, originally pledged to a 3 per cent. annual increase, have now announced a 6 per cent. cut in defence spending over the next three years. I have an increasing feeling, which some arms control experts have had for some time, that perhaps a series of leap-frogging unilateral cuts will be the way in which, in the end, some form of disarmament is finally achieved. It is vital that, as this process proceeds, the unilateral cuts which are made by the United States, Britain and the Soviet Union should not destabilise the balance between the two sides, especially in Europe. Again, that is where Britain's position is vital. Stability requires America's commitment to the defence of western Europe. Since the war NATO has always been an indispensable foundation for Britain's security. However, at the moment NATO is desperately one-sided and needs much more influence from Europe. I think that that is common ground between both sides of the House.

The key contribution which Europe can make towards NATO is in conventional weapons. That has been made clear again and again by American Administration spokesmen and by American Congressmen such as Senator Sam Nunn, who is threatening massive cuts in America's conventional contribution unless the Europeans improve their conventional contribution. There is no chance of Britain improving its conventional contribution if it goes ahead with the Trident programme. I am glad to see the Minister of State agree with that. Trident will be taking 40 per cent. of our budget for equipment in a couple of years. If that money was spent on improving the equipment of our reserve force, it is calculated that we could double our ready conventional forces in central Europe.

It is now more than 40 years since the end of the second world war. Enormous changes have taken place in every part of the world. Nobody, least of all the Government, who are chopping and changing their policies on all these issues from week to week, should be ashamed of confronting new situations with new policies. In 1945 many of us believed that George Orwell's prediction for 1984 was a realistic sketch of how the Communist countries might develop by that year. It has proved to be far from the reality. The Foreign Secretary, like me, went to Hungary recently. In many respects that country is more free than many countries in western Europe—certainly Greece under the colonels and Turkey. In many ways I think that Budapest has recreated the Austro-Hungarian empire in a far more effective form. Its relations with Austria are far closer than those with its Communist neighbour, Romania, as the Foreign Secretary knows very well. Immense changes have taken place in the Soviet Union even during the 25 years in which I have been a regular visitor.

In the United States power has shifted from the eastern seaboard, with its traditional and human concern with western Europe, to the southern and western states with increasing Hispanic and Asian populations which exert a growing influence on American policy. Whatever we do, American attention will be increasingly focused on Latin America and the western Pacific.

Those trends offer opportunities as well as some dangers for western Europe. In Britain we have every interest in seeking to build a new international security system based on co-operation between the two alliances and on co-operation, which I hope that the Foreign Secretary was attempting to suggest in one part of his speech, between eastern Europe and western Europe. I believe that in this new developing world, in which we in the West are groping in the dark no less than the Russians, Britain will play the central role which I believe it has the political and economic capacity to perform.

6.56 pm

Mr. Peter Temple-Morris (Leominster): I am extremely flattered to be called this early in the debate, and it is an honour and pleasure to follow the speech of the right hon. Member for Leeds, East (Mr. Healey). I confirm what he said about the harmony of the recent delegation to the Soviet Union and I should like to pay a tribute to him, as he has paid tribute to the Lord President, for the way in

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which, in all the private meetings, he supported the Lord President and the delegation as a whole and our national position. We are much indebted to him for that.

I want to deal with these points in my own way during my speech, but, in a matter-of-fact way, I shall confirm what the right hon. Gentleman said about the four basic conclusions that came out of the Inter-Parliamentary Union visit to Moscow.

The first conclusion, with which I would agree—I shall confirm all four—is that Mr. Gorbachev sincerely wants disarmament. I would agree that there is a new approach to Soviet foreign policy, and I would endorse that rather telling quote from the speech at the Party Congress to the party. I would also confirm the third conclusion, that the structure of the making of foreign policy is very much Mr. Gorbachev's in the running thereof. That should not be forgotten. However, I would add that one gets the impression that he is running foreign policy with a relaxed and reasonably consulted and agreeable leadership. In other words, he is taking advice and is relaxed with those who advise him. I would agree with the fourth and final conclusion, that the Soviet Union is anxious to negotiate. I wanted to read all those into the record because they are important.

I shall make one preliminary point before I begin what I want to say. It is relevant to my own speech. It is nonsense, in terms of taking a grip and assessing approaches that come out of the Soviet Union, always to say that those approaches amount to propaganda, that their major motivation is one of propaganda and that anyone who happens to agree with any part of them is somehow being anti-American. I shall address the House frankly. I would say to the House, as has been said before—I have said it myself in previous debates on foreign affairs—that in the course of dealing with Americans and American policy one is only making the same points as many people in the United States are making themselves. There is grave concern in the United States, as we all know, over aspects of foreign policy. I shall deal with some of the specifics, although not at too great a length.

I should like to cover the current situation from both the Washington and the Moscow angle and then to concentrate a little on the position of Britain, the contribution that we can make, and how vigorously we should prosecute the options available to us.

It is impossible to ignore the United States in a foreign affairs debate, because our policy is rightly intertwined with that of our major ally. We are extremely dependent upon the Americans. Questions therefore arise as to how independent we can be in our approaches to them and our comments about them. I hope that the whole House also agrees that the NATO Alliance must be the backbone of any foreign policy that we may have. We are in the debt of the United States and we shall remain so. I approve of that and fully go along with it. Moreover, we are more dependent on the United States than most countries because, as a result of a decision taken in Nassau in 1961, we depend upon the Americans for our national nuclear deterrent. I fully agree with that policy and differ from the right hon. Member for Leeds, East and the Labour party on that aspect, although with the foreign policy aspects of the right hon. Gentleman's speech a large measure of agreement will emerge.

My hon. Friends do not want to hear me go on about the special relationship with the United States, but it is important to acknowledge it. We are dealing with friends and with a democracy. We are dealing with people who differ among themselves and we can be reasonably vigorous in our approach to them. I believe that in the longer term we shall pay a price if we do not adopt such an approach.

At present the United States and Washington are under the domination—that is perhaps a rather extreme way of putting it—of a hard-line Right-wing Administration. There is no hiding that fact. They stood for election as such and were elected as such. Having attended the Republican convention in Dallas, President Reagan's inauguration, and so on, I confess that I had sincere hopes that President Reagan would want to go down as a man of peace in his second term of office. I have to tell the House, however, that I no longer believe that to be so, and I am not alone in that view. I shall refer to the Pentagon in less colourful terms than were used earlier, but aided by the newer appointments at the White House the Pentagon appears to all intents and purposes to be getting its way. Nevertheless, there are great divisions within the United States and in Washington. Congressional feeling is extremely strong. There are misgivings about SALT 2, about the rearmament programme and how on earth it is to be financed, about central America and even to a lesser extent about the middle east.

It is clear to anyone who visits Washington that there is also an element, albeit not the predominant element, which firmly believes that the arms race and general policy can be conducted on the lines of stretching the Soviet economy because it is not strong enough to stand the competition and will eventually decline, if not collapse, with the possibility of a change in the system and the belief that in any event the capitalist system will eventually triumph. That is not the majority view, but it is a serious matter because anyone who tangles with Soviet patriotism or attempts to push the Soviet Union to the wall is adopting an extremely dangerous policy. The opposite is perhaps much better—the hope that Mr. Gorbachev's internal plans will be successful, leading to a more relaxed attitude to the outside world and progress on the important questions of human rights, contacts, transfers, visits, tourism and the rest. However, there seems little prospect of any change in the approach of the American Administration until the next presidential election in 1988.

My impression of Soviet policy is that the Soviet Union is playing it long and playing it patiently, but it will not go on doing so for ever and at some time we in the West may have to respond more positively. The views that I have expressed in previous foreign policy debates were unchanged by my visit to the Soviet Union. The last thing that I want is for the House to imagine that I have come back from the Soviet Union trumpeting out some great new view as a result of my visit. I am repeating the views that I have expressed before, but with the additional confirmation of a further visit to the Soviet Union and further contact with its leadership at the highest level.

I am absolutely convinced—this is most important—that the Soviet Union is genuine in its desire for peace and for dialogue. I do not say that naively. We are dealing with tough people who have a different system and the way ahead will not be easy. There will be hard negotiations ahead, but I believe that the desire of the Soviet leaders is genuine and will have to be met. They are not insane so

they want peace, not war, but there are also practical reasons relating to the Soviet economy. They want to concentrate on their economy. With due respect to my hon. and learned Friend the Member for Burton (Mr. Lawrence) it goes a little further than the strategic defence initiative, although that is one element. The emphasis in the Soviet Union since the change in leadership has been to concentrate on internal change and the speed and extent of the changes have been remarkable by any standards, especially by conservative standards of conduct in the Soviet Union over many years under a system that tends to stagnate.

There is evidence that the Soviet leaders want progress in that direction and they know that they cannot afford the arms race as well. Nevertheless, they will afford it if they have to, because they are determined about it. The economy is the practical reason for their willingness to do business. As my right hon. Friend the Prime Minister has said, we can do business with them, and I believe that we should get on with it as quickly as possible because the mood will not last forever. Even Communist leaders have to deliver to their people. Even Soviet leaders can stick out their necks only for so long before they suffer, hopefully not by being chopped off. A leadership that has been so dynamic in bringing about change cannot expect to be universally loved by all those who have been moved or dismissed. The moves have been extensive throughout the system, and we saw evidence of that.

Mr. David Crouch (Canterbury): As my hon. Friend knows, I also visited the Soviet Union. On the important question of the economic problems facing the Soviet Union, does my hon. Friend agree that one of the problems is the need to earn hard currency to buy grain to make up its agricultural deficiency? The cost of that grain is between $6 billion and $7 billion per year and total earnings in hard currency are no more than that due to the collapse of oil prices and the halving of the 60 per cent. of hard currency earnings attributable to oil.

Mr. Temple-Morris: I agree with my hon. Friend that that is an important aspect. It was clear that the Soviet Union wished to trade with us to gain more hard currency rather than relying on the prices of raw materials such as oil. There are undoubted possibilities for British business. That point should be made loud and clear. Companies should get out there and see what they can do by way of joint enterprises, and so on.

By way of illustration of the difficulties that face bridge builders, when we were in the Soviet Union at one moment we were talking about the summit and the very next moment we heard on the news the United States pronouncement threatening abrogation of the SALT 2 treaty. That did not make life easy. At that moment I was not exactly proud of the Western Alliance.

In regard to the summit, I want to emphasise what has been said. I am sure that the Soviet Union wants the summit, but it must be able to deliver. Leaders of all systems have to deliver. That was put graphically to us by Mr. Gorbachev when he said that to go on any basis other than the agreement of something that was carefully prepared would be to deceive the people. It would deceive the people to talk agreeably for five and a half hours and come out smiling, as applied to only one summit. More has to be achieved at the next summit.

I urge my right hon. and hon. Friends on the Front Bench to bring what influence they can to bear upon the United States not to miss the opportunity of another summit, because the Soviet Union is willing to participate. The British people want and expect that. If things get difficult in East-West and international relations, commensurate with that difficulty will be a mounting electoral relevance of that aspect of foreign affairs. At the next election I do not think that any of us can expect not to mention foreign affairs. The worse things get, the more we will have to talk about it. I do not want us or our Government to be on the defensive.

In regard to the United Kingdom position, I have dealt with the need for a slightly more vigorous approach and greater independence. I appreciate the background of the United States and NATO, the fear of American isolationism and all the rest of it. Nevertheless, there is a duty to speak out on such topics as SDI and star wars, but I do not propose to go into detail because I have already done so in a previous debate. On SALT 2, I congratulate my right hon. and hon. Friends in the Government for doing their utmost to save the day.

Progress can be made, and we should speak out to achieve it, on chemical weapons, accompanied by verification, and on nuclear testing. The whole Soviet attitude on verification was simple. It was, "Just come on, try us and see." I do not see why we should not do that. If it did not work out, it would be simple to dispense with all that had been said as propaganda. In other words, the gauntlet was thrown down firmly and I think that it should be picked up.

As for the future, one deals very much with the United States and the Western Alliance in debates on East-West relations, but we must not forget our European links and our eventual future with Europe. Because of the dependence on the United States that I have been talking about, the British voice is regrettably getting weaker rather than stronger. That voice represents a considerable force for good in the world, but it can be exercised more powerfully if it is concerted with a policy that recognises our future as being within Europe.

There is a fundamental choice that has not yet been made. I say that advisedly and deliberately. People who try to have it all ways often end up with nothing. Our voice should always be fielded in these matters to the maximum effect. The world expects it. I am confident enough to feel that the world would like it too.

7.13 pm

Mr. A. J. Beith (Berwick-upon-Tweed): It is a particular pleasure to follow the hon. Member for Leominster (Mr. Temple-Morris) in the debate, because he and I shared a car in the wanderings in the Soviet Union that have been described extensively. If the executive of the Leominster Conservative association and the executive of Leominster Liberal association knew the degree of political co-operation that we were able to develop as we discussed these issues, he and I might both be in trouble. Today he has spoken clearly, frankly and with much the same emphasis as so many members of that delegation shared in their reaction to the visit to the Soviet Union. The Minister of State should be aware that the hon. Gentleman gave a true reflection of reactions on all sides. Even though we may draw some different conclusions, our assessments were similar.

If there is one depressing thought that hangs over a foreign affairs debate in present circumstances, it is that to many of us there is no apparent distinctive British

[Mr. A. J. Beith]

foreign policy, at least on the part of the Prime Minister. That impression was brought vividly home by her support of and direct complicity in the United States bombing of Libya, an act so misguided that it is now being openly questioned at the most senior level in the White House. The Prime Minister is President Reagan's most reliable and compliant friend, but it is of no value in a friendship not to be a candid friend and not to be prepared to take a clearly different view at times. That the right hon. Lady has failed to do. I say that as a dedicated supporter of NATO and our alliance with the United States.

I am strongly opposed to those who rank the United States and the USSR as two equivalent super-powers and two equivalent societies which pose the same threats and the same dangers to us and who are equally hostile to us. They cannot be viewed in that light by anyone who values democracy and the extent to which the United States exemplifies that democracy, but at present it happens to be the case that the foreign policy of the Soviet Union is moving marginally in directions of which I and my right hon. and hon. Friends approve, while the foreign policy of the United States has been moving steadily away from those directions over the last few years. That view is shared by a great many people within the United States of America.

I believe that many of President Reagan's foreign policies add up to a recipe for disaster. That is why I wish to see a stronger British challenge to many of those policies, including those on East-West relations and arms control. That is why I wish to see a stronger British effort to end United States support for authoritarian regimes like that in Chile, and of American attempts to overthrow the Government of Nicaragua. That is why I want to see a stronger British effort in other areas of United States foreign policy where the United States is exercising a damaging influence.

To take a specific example, let us consider Namibia, which we did not discuss yesterday in the extensive and good debate on South Africa. I hope that the British Government will seek to use their influence to keep Namibia on the agenda and to stop the current American attempt to link Namibia with the ending of Cuban involvement in Angola. I am in favour of the ending of Cuban involvement, but it is not relevant to the solution of the Namibian problem, nor is it reasonable to visit upon those fighting for the genuine independence of Namibia responsibility for Cuban actions in that other territory.

Mr. Andrew Hunter (Basingstoke): How can the hon. Gentleman possibly express that sentiment in the light of the fact that South African policy on Namibia is significantly motivated by the Cuban presence in Angola?

Mr. Beith: South Africa involvement in Namibia has been to defy the United Nations, to defy the international community and to deny democracy and self-determination to the people of that country over a long period. Currently, the fears of the South African Government are indeed exacerbated by their relationship to Angola, in which they have a substantial military involvement in backing the UNITA forces. In any objective assessment of the rights of the people of Namibia, it is irrelevant to seek to apply the criterion of Cuban disengagement.

On the issue of East-West relations, which has dominated the debate so far, all of us who took part in the recent visit to Moscow were impressed by the shrewdness and relative open-mindedness of General Secretary Gorbachev. We reached perhaps three similar conclusions. The first is that Gorbachev is serious about what he has to do to make changes in the Soviet economy and to raise the standard of living of the people. He is applying himself to that task. I see his recent visit to Hungary as part of the process by which he learns from other states and compares other relevant experience. There are great opportunities for British trade in the longer term as that process goes on. That will require some revision of our present COCOM rules and the extent to which we restrict technological imports of things that the Soviet Union can buy as single items freely on the open market in other parts of the world.

We all gained the impression that the Soviet Union means business about arms control. That impression is confirmed by more recent statements and by what Mr. Gorbachev said about SDI. That statement went much further than earlier ones. I believe that the US signals on SALT 2 are the wrong signals. They are symptomatic of the fact that around President Reagan are several people who simply do not believe in arms control. I acquit the British Government of holding that view, but there are among the President's advisers some people who do not believe in arms control and do not want it. They want a substantial arms build-up. They see a commercial advantage for a lot of people in the United States in that, and they are rushing like mad to get as many SDI contracts as possible in place before the end of President Reagan's term of office.

Mr. Flannery: The hon. Gentleman will recall that Mr. Gorbachev raised all these issues when he talked to us, but that President Gromyko spoke at greater length. He said that the American Establishment had dealt blow after blow against SALT 2 and had finally put a high explosive charge under it, but that he did not think the American people wanted to bury it. He made some distinction between certain politicians and the wishes of the American people. He made it quite clear that they wanted SALT 2 and that he hoped that we would help to do something about that.

Mr. Beith: The hon. Gentleman faithfully records what was said in answer to a question. It is rather interesting that President Gromyko did not himself raise complaints about SALT 2 — his comments came in answer to a question raised by our delegation.

I must differentiate between my view and that of the right hon. Member for Leeds, East (Mr. Healey). In some of his public responses he seemed almost to be eating out of the hand of General Secretary Gorbachev when he suggested arrangements that a British Government could come to with the Soviet Government. The Foreign Secretary made much of the incongruity of the proposition that we could achieve a great deal by reducing the number of Soviet missiles in exchange for removing British deterrent. That is not a useful calculation, for the reasons that the Foreign Secretary gave. The arguments for and against the British deterrent concern whether it has a real defence utility. That argument should be taking place rather more widely than in the confines of the alliance to which I happen to belong. It is a significant argument.

The Foreign Secretary did not refer to the other aspects of what the right hon. Member for Leeds, East said concerning the possibility that, in exchange for the

removal of United States nuclear bases in Britain, the Soviet Union would agree not to target its weapons on the United Kingdom. That proposition is so valueless that I am surprised that the right hon. Gentleman attached any credibility to it. It seemed to me to be a way of getting some return for a decision, which has already been taken in the Labour party, to remove what I believe is the central feature of our nuclear defence.

Even those who are firmly wedded to the desirability, on wider political or strategic grounds, of having a British nuclear deterrent must concede that central to the defence of the United Kingdom is the presence of the NATO nuclear deterent on British soil. If that is removed, our fundamental defence stance is, to use the right hon. Gentleman's words, destabilised. It is the basis of our current defence. The British deterent poses a quite separate question, which is whether we could conceive of launching a nuclear response when the NATO deterrent was not brought to bear because the United States did not regard it as right to launch it. On that, as with the quite separate issue of whether there should be a direct exchange between the Soviet Union and Britain on the British deterrent, I do not believe that we should do side deals with the Soviet Union. Our role is to seek a wider settlement and an arms agreement which involves the two super-powers and us alongside, not to do a side deal, because that would not achieve general disarmament.

I should like to mention a third impression which many of us got but which has not been mentioned so far. I do not believe that General Secretary Gorbachev has addressed himself to the civil rights problems in his country or to the implications of changes in the style of the Soviet economy for what people will want in terms of civil rights and freedom. The hon. Member for Canterbury (Mr. Crouch) raised these issues on our behalf. I see no sign of any improvement in civil rights in regard to political dissidents or religious groups. There are many professing Christians who are imprisoned, and there are many Jews who want to emigrate.

We hope that we will get a positive response to some of our suggestions and the cases that we took up, but I see no positive sign yet of a crack in the basic Soviet attitude. The Soviet Union's efforts to win friends in the West would be enormously strengthened if it made changes in regard to civil rights. Moreover, it would greatly assist General Secretary Gorbachev's domestic policies if he ceased to make enemies of a great many people who would make perfectly good Soviet citizens if only he gave them a chance to be. Nobody should have any illusions that the significant changes in Soviet foreign policy or in how its economy is run signal, as yet, any change in basic civil rights—the position in that respect remains as worrying and unsatisfactory as I believe it has been for a long time.

Mr. Crouch: The hon. Gentleman referred to my raising human rights with General Secretary Gorbachev and the President. Does the hon. Gentleman remember that when I raised the matter with Mr. Gorbachev he smiled and said, "I know what is coming."? I think that I dared to respond, "This is no laughing matter." I told him and the President that this was an issue that clouded public opinion in the West and was taken serously here, that no matter how seriously we discuss disarmament, verification, SALT 2 and the like, human rights were of prime importance to us.

Mr. Beith: I agree with the hon. Gentleman. We tried, and continue to try, as I hope do the Government, to get it across to the Soviet leadership that this is not some propaganda exercise. We do not raise these matters to belittle the Soviet Union; we raise them because they are of the deepest concern to our constituents and a great many other people in the West.

Mr. Nicholas Budgen (Wolverhampton, South-West): Will the hon. Gentleman give way?

Mr. Beith: Much as I should like to give way, I shall not do so as I shall be in trouble with the Chair, because I have a number of other matters to raise.

I should now like to consider the middle east. I am glad that the Prime Minister visited Israel. I am glad that she was moved, as she clearly was, by her visit to Yad Vashem — a reminder of the horrific experience of the Jewish people. I am also glad that she found so much warmth towards Britain among so many Israelis. Those were welcome features of the visit. I am also glad that she made an effort to talk to some people from the Palestinian community, despite the difficulties attendant upon arranging that. I am deeply sorry, however, that the visit was able to achieve so little in advancing their cause or in advancing a general resolution of middle east problems.

There is no escaping the role and responsibility of the Palestine Liberation Organisation in the solution of that problem, and it is no use trying to bypass it or assuming that other leaders can be found to replace the PLO in that capacity. There is a lesson there for Israel, Jordan, Britain and the United States, which keeps looking around for means of avoiding talking to the PLO. There are also lessons there for Syria, which has been trying systematically to undermine the leadership of the PLO.

Mr. Harry Cohen (Leyton): Will the hon. Gentleman give way?

Mr. Beith: I have just said that I shall not. I will be in trouble with the Chair if I give way much more.

In a debate such as this, we must also pay attention to some of the forgotten or nearly forgotten conflicts of the world. I refer, for example, to Afghanistan, where the Soviet Union is still present in large numbers and increasingly embarrassed about it. It is looking for ways of reducing its commitment. We must keep up the diplomatic pressure to make the Soviet leaders recognise that the West cannot stand by and watch a country such as Afghanistan invaded and make no complaint or fail to raise the issue. I was struck, during the visit of Hu Yaobang of the People's Republic of China, by how strongly China still feels about the Russian presence in Afghanistan. That was a very successful visit, and Hu Yaobang brought life and sparkle to the diplomatic scene when he was over here. There is no doubt about the strength of Chinese feeling about the continued Soviet involvement in Afghanistan, and we should be as ready as the Chinese are to continue the pressure on that issue.

In Eritrea, there is still massive Soviet involvement in backing the Ethiopian regime with its denial of self-determination to the Eritreans. That battle is increasing, and civil war in that country makes a solution to the famine problems impossible. It greatly worsens the problems about which so many British people care deeply and in respect of which so many of them have tried to help and contribute.

Moroccan occupation continues in the western Sahara, and the people of that country continue to be denied their

[Mr. Beith]

rights, despite OAU approval and the approval of about half the nations of the world for the recovery of their statehood and status, to which they are clearly entitled on any assessment of international law. I hope that the British Government will not rest on the rather cosy relationship that they have sometimes had with Morocco and that they will continue to press that case.

Earlier I mentioned the situation in Sri Lanka, and the Foreign Secretary kindly said that he would continue to press that point with the Indian Foreign Minister during his visit to see whether there are ways in which we can help to secure resolutions to a problem to which there is no military solution. Unless there is some constitutional development there, there cannot be a military solution.

Miss Betty Boothroyd (West Bromwich, West): Will the hon. Gentleman give way?

Mr. Beith: The hon. Lady makes it impossible for me to say no.

Miss Boothroyd: I understand that in the last 48 hours the Sri Lankan Cabinet has agreed proposals to put to the all-party conference to be held next month in Sri Lanka, which will create provisional councils in that country with a considerable measure of devolution and opportunities for co-ordination between the regions. I am sure that the hon. Gentleman would want to welcome those proposals and to wish them well, while at the same time wishing for a cessation of hostilities on the part of the security forces and the Tamil extremists.

Mr. Beith: I know that the hon. Lady takes a close interest in what goes on in Sri Lanka. I have not studied the proposals that she described, but I hope that she will use all her influence to ensure that the Government of Sri Lanka recognise that they must make significant constitutional moves if they are to avoid a continued, insoluble problem in that country.

Mr. Corbyn: Will the hon. Gentleman give way on that point?

Mr. Beith: This will be my last occasion.

Mr. Corbyn: I thank the hon. Gentleman for giving way. Will he reflect that one of the problems in Sri Lanka has been the systematic exclusion of the Tamil people from the constitutional process? I believe that to be at the root of the problem, and it is compounded by the large number of arms sales by a number of western European countries to the Government of Sri Lanka, as a result of which the civil war is now raging. Does the hon. Gentleman agree that one part of the peace process would be the cessation of arms sales to the Government of Sri Lanka?

Mr. Beith: I agree with the hon. Gentleman about arms sales. I am glad that I have allowed two balanced interventions on Sri Lanka.

We must be given back our self-respect in relation to foreign policy and should be given the right to an independent British foreign policy. On several occasions, it has seemed as if the Foreign Secretary has been on the point of doing precisely that. I felt so when he made his notable speech on the strategic defence initiative. There is no better critique in existence of the SDI programme than the 18-point summary of its weaknesses and drawbacks that was delivered by the Foreign Secretary, but scarcely had he made it than the Prime Minister came to the House effectively to dismiss it. She made it very clear, very quickly, that she would back SDI all the way.

When the Foreign Secretary spoke in Halifax, Nova Scotia and gave some indication of Western and European concern about the American attitude to SALT 2, he was beginning to show the signs of an independent British foreign policy, but it only needed the Prime Minister to come to the Dispatch Box and that independence quickly disappeared from the Government's stance.

Even today, I felt that there was a coded criticism of the United States in what the Foreign Secretary said about his hopes that the United States would feel the need not to breach SALT 2. I wonder whether the Prime Minister will come to the Dispatch Box tomorrow and find words to disagree with that as well and to make it clear that such independence is not to be tolerated.

The Minister of State, Foreign and Commonwealth Office (Mr. Tim Renton): I remind the hon. Gentleman that in answering questions about SALT 2 the Prime Minister has already used almost exactly similar language and pointed out that she hopes strongly that SALT 2 will be observed by both sides.

Mr. Beith: What is it about our Prime Minister that makes even her choice of the same phrases as the Foreign Secretary sound totally different in flavour and meaning? There is something about our Prime Minister that makes her able to convince large sections of Right-wing Republican opinion in the United States that she is totally with them, while convincing many people both in America and this country who hold rather different views that she is very much against them. The Foreign Secretary evokes a rather different response.

Indeed, I think that the Prime Minister could win the Republican primary in California outright, but the stance that would make it easy for her to do so will help to make it impossible for her to win the next general election in this country. I believe that the lack of independence and self-respect in foreign policy is something with which the British people are becoming increasingly impatient.

7.35 pm

Mr. Andrew Hunter (Basingstoke): Fate sometimes smiles on Back Benchers, and, having failed to catch your eye in last night's debate on South Africa, Mr. Deputy Speaker, I welcome the opportunity of returning to that theme without apology, sure in the knowledge that I have on my side the right hon. Member for Leeds, East (Mr. Healey) who declared yesterday that the South Africa debate

"is one of the most important issues which the House has ever debated".—[*Official Report*, 17 June 1986; Vol. 99, c. 901.]

I do not dissent from that view. The passing of about 24 hours has allowed a few particles of dust to settle. It has given us some time for limited reflection. It gives us time to be selective and to extract from yesterday's debate points of commission, so to speak, of particular significance and points of omission of similar significance.

A debate on South Africa may to some observers be seen as the chosen battlefield for a cavalry charge by the Right wing of the Conservative party which is met by a counter-charge from the Left wing of the Labour party. That leaves quite a number of us as innocent bystanders, increasingly confused as the exchange becomes more heated.

During much of last night's debate I felt that all too often the fundamental objective was overlooked. What in the de-imperialist and de-colonial era can we possibly do about South Africa? The objective of what we do and say must surely be to try to encourage those people who can create a fairer and more equitable society in South Africa to do so and to discourage those people who do not want that objective from pursuing their aims. During much of last night's debate, that fundamental simplistic objective was lost sight of.

I have chosen three themes, and I shall be selective and somewhat disjointed in my comments because I am aware that I am pursuing a debate that has passed. I want to talk first about the changes that have happened in South Africa. I want to look again at selected aspects of the debate on sanctions and then, in more detail, and perhaps more controversially, at what by implication we appear to be demanding from South Africa.

The hours of debate yesterday in my judgment produced insufficient and inadequate acknowledgement and recognition of the changes that have taken place in South Africa. I was in Pretoria in January 1985 and spent the best part of a week in discussion with what for convenience one can call the Pretoria establishment. That was 18 months ago. I listened to what they said and drew my conclusions.

In January 1985 I concluded that the Pretoria establishment did not want fundamental change. It was playing with words and would adapt superficially and insignificantly to preserve the status quo. Just over a year later, in February 1986, I returned to Pretoria and had almost identical discussions with the same people. I detected a fundamental difference. Within those 12 months the Pretoria establishment had changed its tune. It was no longer playing around for a superficial re-presentation of apartheid. It was talking of fundamental change.

I shall not go much further than that because the next dimension of my analysis is that the Pretoria establishment did not know its goal or objective and, therefore, the route it should follow and, therefore, the speed at which it should go. Nevertheless, a vital change had happened in 12 months, which was that the heart of Afrikanerdom had realised that things could not continue as they had been doing and as, perhaps, in its heart of hearts it would like them to continue. Yesterday, Opposition Members debased, devalued and weakened their case. Obviously, there are strong arguments for the imposition of sanctions, but Opposition Members did not give due acknowledgement to a significant change that has taken place in the thinking of the Afrikaner.

I have now seen the video of last Monday's TV-am programme, which included an exchange between a spokesman from the South African embassy and the Leader of the Opposition. The embassy official argued that the South African Government had taken a number of significant steps towards dismantling and removing apartheid. The Leader of the Opposition dismissed him as a "fibber". We could spend a long time arguing about the delineation between grand apartheid, petty apartheid and the whole area in between, but during the past two years or more there have been most significant changes in South African society. I ask the House to consider the removal of job reservations; the repealing of the Mixed Marriages Act; of the Immorality Act; and of influx control; from the perspective of the Afrikaner, what amounts to the constitutional revolution of the establishment of the tricameral Parliament. There is also the extension of freehold rights for blacks and the declared objectives of education parity for all population groups. That is just a selection. Five or 10 years ago none of that was remotely conceivable in the history of the development of the South African nation.

The embassy official, whom I happen to know and respect, was not telling fibs when he said that Pretoria was no longer defending apartheid, but he did not go the whole way. The greater truth, which he neither contradicted nor asserted, is that Pretoria does not know what it is defending. That is an essential dimension of the crisis that is too often too little perceived by many people who presume to participate in the debate on South Africa. Pretoria does not know where it is going, the route it should take, or the speed at which it should travel. So much for the changes which have happened.

I now turn to the central issue of sanctions and the degree to which we should or should not impose further "effective economic measures" as the Opposition would have us do. Last night the House dismissed that proposition, and it was utterly right to do so. However, I agree with Opposition Members on one essential point. The Government's amendment substituted for "effective economic measures" the phraseology "effective measures". I listened to virtually all the debate and left completely confused about what the Government meant by "effective measures". If the debate demonstrated anything, it demonstrated the meaninglessness of that expression. There are no effective measures other than the wholesale economic measures which Opposition Members wish to see implemented. I was further struck forcefully by the Government's inability to attach any meaning to that expression.

For my part, I would neither support nor refuse to support the concept of "effective measures", unless it could be explained to me what those measures were. At present I am none the wiser.

Mr. Cash: Does my hon. Friend accept that there are considerable difficulties in setting out precisely what is to be done in this context at this juncture, and that we have several weeks in which to get things right? Furthermore, does he accept that it is absolutely essential to bear in mind that, although some people would like to see apartheid dismantled, as I would, others would indulge their moral consciences at the expense of the carnage of black people, if things went wrong.

Mr. Hunter: Once again, on this topic as on many others, I find myself embracing the sentiments expressed by my hon. Friend. That is an added dimension to the complexity of the debate which we had last night and which will continue. I would prefer the debate to have been postponed until the Government had pursued negotiations with Commonwealth Heads of State, the European Community, the seven industrial nations and so on.

Mr. Donald Anderson (Swansea, East): Is not the hon. Gentleman being a little unfair? If he had listened carefully to the speeches of the Foreign Secretary and the Minister of State, he would have seen at least some attempt to give signals, but one which could not be taken further because it was constrained by the complete intransigence of the Prime Minister in this area.

Mr. Hunter: No. Until the last sentiment I could agree with much of that. If the hon. Gentleman will allow me to continue, I shall develop an answer to that point.

In our debate last October I declared my opposition to further economic measures against South Africa. During the intervening months the position has demonstrably and irrefutably deteriorated. This has led some of my hon. Friends to change the emphasis in their thinking and to believe that, perhaps, we should reconsider the position. Indeed, we should always reassess. However, I have confirmed and consolidated my opinion of last October that the imposition of further economic sanctions against South Africa would be highly undesirable. The arguments against sanctions were well rehearsed last night, so I will accelerate through them.

The first essential question is how effectively sanctions can be implemented. In a sense it is a peripheral point: I am arguing not about their merits or otherwise, but about the practical course of action to follow. If sanctions were not implemented universally, we would merely lose our commercial interests and hand over a free market to our competitors—the sanctions busters. That is peripheral. Let us assume, however, that sanctions can be implemented effectively.

There was one omission from last night's debate. I apologise if I am mistaken in saying that not one hon. Member pointed out that the first casualties of effective economic sanctions against South Africa would be 1·5 million black immigrant workers in South Africa.

Mr. Budgen: They did.

Mr. Hunter: I apologise if I missed that point. I do not recall it being made. It would be a long and arduous march home for 1·5 million people. Perhaps some would be herded on to cattle wagons and sent back by railroads. Many would not survive physically. None would survive financially. One and a half million is a lot of human lives.

The second victims would be the blacks in South Africa whose jobs, lifestyles, and financial expectations would be hit. More to the point, those to whom social spending and Government programmes are directed would be casualties.

The economies of the front-line states—the border states — would be savaged by effective economic sanctions.

A further dimension was not stressed sufficiently in yesterday's debate. The debate more or less assumed that, in the event of the implementation of sanctions, the South African Government would sit idly by and endure whatever had to be endured. There is a further dimension — that of counter-sanctions. Peter Younghusband, a South African journalist, in an article in the *Daily Mail*, of all newspapers, a week or so ago, said that counter-sanctions would wreak havoc on the economy of the entire African continent.

Each year, $200 million-worth of goods go from South Africa to the rest of the African continent. An amount of $1 million goes back to South Africa. If that $200 million were cut off, what would happen? Ninety-nine per cent. of Lesotho's imports are from South Africa. The figure for Swaziland is 91 per cent. and for Botswana 88 per cent. The President of Zimbabwe acknowledged that his country would last three weeks without its supply routes from South Africa. If we implement wholesale economic sanctions against South Africa, and if the South Africans indulge in counter-sanctions, within two months we would have to call off the effort because we could not finance the crippling burden which our policy would inflict on other countries, some of whom are independent Commonwealth countries.

There are two further misconceptions which, in my judgment, ultimately destroy the validity of the arguments for sanctions. The misconception of lesser importance is the proposition that sanctions are a nice, cosy, remote and non-violent means of creating change in South African society. They are not. Deliberately to impoverish and starve is to promote and provoke violence. Deliberately to promote and provoke violence cannot be right. To believe that by promoting and provoking violence in South Africa one can create a more just and equitable society is self-delusion, pure and simple.

A greater misconception is the ultimate fallacy in the argument in favour of the imposition of sanctions. Suppose they work. Suppose we irrevocably destroy South Africa financially. What then? Do hon. Members believe that by cornering an Afrikaner and destroying his economic well-being they will turn him, overnight, into a western enlightened liberal? They would achieve nothing of the sort.

We talk about the laager mentality of the Afrikaner. Once upon a time, the Afrikaner nation, in its embryonic state, was forced into an inner laager. On 15 December 1838, 10,000 black men attacked that inner laager. Six hours later, 3,000 were dead. The forces of law and order in South Africa have not yet started to deliver their goods. If we push the Afrikaner into a position of no hope and no retreat, we shall not achieve our objective of creating a fairer and more equitable society in that country.

Economic sanctions have worked — not economic sanctions imposed by politicians but economic sanctions which are the result of that indefinable quality, business confidence. There is no significant new investment in South Africa. Whatever disinvestment can take place under the law of the land is taking place. What Opposition hon. Members seek to achieve, through advocating a policy for the future, is already the reality. Business confidence has gone. There is a remarkable naivety in the cry for effective economic measures. They have already been taken by the international business community, not by the politician. That is the tragedy. How is progress financed? How are social programmes financed outside a flourishing national economy?

Last night Opposition Members referred to education in South Africa. They pointed out the disparity in spending on a white child as compared with a black child. This year, the public expenditure programme in South Africa is running at 41 billion rands. If there were to be equality of spending on education for black children and white children, that amount must be doubled. If there is no economic base on which to finance that spending, where will it come from?

What do we expect of South Africa? The Government have said frequently that they do not seek to impose a form of government on South Africa. Rather, they seek the creation of a form of government acceptable to all races. I think that Opposition Members would broadly accept that. Perhaps they would prefer the expression "acceptable to the majority". In the debate yesterday, words such as "democracy", "freedom", "unitary state", and so on, were used. What do they mean in reality? If a President of Tanzania says that he does not believe in democracy and

a President of Zimbabwe says that he does not believe in democracy—I ask the question only because I want to know the answer—why should a President of South Africa believe in democracy? Why do we demand of South Africa more than we demand of the rest of the African continent, Commonwealth countries included?

The forces of evolution are at work in South Africa. There have been significant achievements in the past two years. My belief still is that the forces of evolution in South Africa need help and encouragement, not discouragement, and that the House was right last night to reject the proposition of wholesale economic measures.

8 pm

Mr. Leo Abse (Torfaen): The hon. Member for Basingstoke (Mr. Hunter) has clearly learnt what most parliamentarians learn—never throw away the notes of an undelivered speech. I advise him that, if he is not to cause dissonances in House of Commons debates, he should put his notes in the drawer for longer than 24 hours.

All of us are concerned that the summit talks may be again at risk. It is inevitable when such an awesome possibility arises that people of my generation are bound to look back to the end of the war. How did it come about that all the high hopes of co-operation held by my generation during the immediate post-way years—that the West would work with the Soviet Union—were so speedily dashed? NATO was established and the long cold war began.

Our husbandry of our atomic know-how, for the sake of what proved, inevitably, to be a short-term advantage, was undoubtedly one of the main reasons. But there were good reasons for the Soviet Union, after the long appeasement years, to be fearful again. Even more important reasons were clearly shaping Russia's attitude. I recalled them vividly a few weeks ago when, for the first time in 40 years, I was in Vienna, observing the obscene election of Waldheim and witnessing the appalling manner in which the Austrians, unlike the Germans, seek to exculpate themselves from their own terrible guilt. I naturally thought of the immediate post-war years. By the accident of war, I had found myself awaiting demobilisation in a small RAF unit—the only one in Vienna—surrounded by a sea of Russian troops. That was my first contact with them. Some of their political commissars were Jewish and I was able to speak to them in my sort of Yiddish.

Mr. Winnick: Welsh.

Mr. Abse: I may have spoken Yiddish with a Welsh accent, but those commissars were able to understand me. I dare say that those poor fellows were killed off in Stalin's paranoic years. The bulk of the troops however were kids, and I thought of them as such even then when I was a young man. They were simple, untutored men scraped up from the fringes of the Soviet empire. The depletion of the Soviet Union's manpower was tragically visible to us. That impress—the reminder of the 20 million Russians who had lost their lives—has always been with me and, more importantly and more relevantly, it has always been with the Soviet leadership who, until recently, were men of my age, or, indeed, usually older. A failure of imagination by the West to appreciate that those losses prompted the compulsive, often seemingly irrational, security needs of Russia led to the speedy contretemps and misunderstandings that, within two years of the end of the war, were to bring about the great and dangerous division that has extended, as has been emphasised, for almost 40 years.

Now, when I listen to the interesting contributions by hon. Members who had the privilege of visiting Russia with the delegation, it is clear that a new generation of Soviet leaders is emerging, less shaped, perhaps less distorted, by wartime memories. There is, too, a new awareness in Western Europe of the need to rethink policies towards Russia. I emphasise that that is not how the United States of America sees it. During an academic sojourn of four or five weeks in the United States during its pre-election period, I saw people who pressed home to me that the gulf between European and Reagan thinking was wider than the Atlantic ocean. Doubtless, as my right hon. Friend the Member for Leeds, East (Mr. Healey) said, there has been a shift from the more sophisticated east to the south and west of America which has played its part, but it is unhappily true that the British Government are colluding in widening the gap between the United States and Europe, as evidenced by the Libyan adventure. Constant apologies for our subjugation to American policies come from the Prime Minister and from the leader of the Social Democratic Party, who in the past few weeks has lectured us about the dangers of anti-Americanism. That constant refrain, which we heard again from the Foreign Secretary, is based on their belief that our defence security wholly depends upon America.

If we act on such an assumption, we are on the road to Armageddon. The aeroplanes from American bases here could one day carry H-bombs inviting our obliteration. It is nonsense to believe that military necessity leaves us with no alternative but to condone Reagan's self-indulgent caprices. The Libyan intervention shows how important it is that we free ourselves from our thraldom to the United States.

There are more than 250 million people in Western Europe with tremendous industrial resources and long military and diplomatic experience, who are potentially able to defend themselves militarily and diplomatically against some 200 million Russians who are contending at the same time with 1 billion Chinese on their borders, with the rising dangers of Islamic fundamentalism in eastern Russia and with all the disgruntled peoples of eastern Europe. If we had a Government who genuinely placed upon their agenda the Europeanisation of west European security, instead of attempting to sabotage it—as occurred with the Anglo-American attack on Libya—we might avoid the final disaster.

Those who accuse people who speak like me, British people, of anti-Americanism and those whose emotional attachment to the United States is similar to that of the Leader of the SDP or the Prime Minister—who complain that the British seem to have been seized with an anti-American mood—are mocking the realism which they lack. It is no use us pretending that Reagan's America is that of Roosevelt or of Kennedy. There is abroad in the United States a dangerous politicised fundamentalism, an unhappy form of Christianity, that is soaked in gnosticism, a belief that this world is so sunk in evil that rescue is necessary. Such gnostic beliefs lead to the conclusion that there is a demiurge, or a limited evil power. That power is said to be the satanic representative of cosmic evil. It can then be speedily identified as the Russians and, therefore, must at all costs be overcome.

[Mr. Abse]

United States policies are ambiguous because they are worked out within the ambience of President Reagan's provocative "evil empire" speeches. Those who, out of old affections, plead, as I suspect the hon. Member for Leominster (Mr. Temple-Morris) pleaded in his interesting contribution, that Reagan is a mere blink in the history of American Presidents, should stop deceiving themselves and those whom they seek to influence.

Last week, we saw Vice-President Bush's setback against a fundamentalist contender for the presidency. We are speaking not of a wild fringe movement but of a movement in the main-stream of American politics. Europe could, if we permitted it, become the victim of that primitive mythology. It is almost impossible to open a newspaper without encountering corroboration of that new mood. The last bastion in the United States of America—the Supreme Court—has been breached with the President nominating Judge Scalia and making William Rehnquist the Chief Justice. That was, of course, applauded by the Rev. Jerry Falwell and the Rev. Pat Robertson, the fundamentalists who are having such an inimical influence upon America and upon American foreign policy.

The worst insanity that emerges from America's contemporary sick culture is Reagan's yearning for the fulfilment of what he has called his dream. That is the misshapen dream of star wars defence. Every depth psychologist would insist that what none of us can tolerate, and what we fear most, is to be reduced to utter helplessness—the utter helplessness of a babe. The goal of star wars is to be enabled to launch nuclear attacks upon an enemy without fear of retaliation. To aim to reduce the Soviet Union to helplessness is to invite pre-emptive retaliation. For Britain blithely to co-operate in such an adventure would be to co-operate in our suicide. Narcissistic rage, as the psychoanalysts describe it, can move groups as well as individuals. Such deep-seated rage, which has been provoked by concepts such as star wars, is relieved only by violence. But we should not be disengaging from American adventurism merely out of self-interest.

Last month, I wandered round Czechoslovakia. These days, in Britain, it is an almost forgotten country. No people in Europe have less deserved their fate. Betrayed at Munich by Britain, brutally ruled by Nazi Germany and then invaded by Russia, the Czechs nevertheless show extraordinary resilience, surviving the Russian occupation with wondrous ingenuity and pressing to their limits the parameters imposed upon them by the Soviet Union, yet never allowing their personal integrity to be eroded by the evasions that they are daily compelled to make. We owe it to such people to do everything possible to assist them. But so long as Britain and Europe remain locked into American policies, so long will the Russians wish to throw out their defensive perimeters to produce the greatest possible area within which they believe they have freedom to manoeuvre. That is why the hapless Russian service men, to whom no Czech will speak, remain in Czechoslovakia.

It is becoming increasingly clear that to assist such lands and ourselves, we need a considerable lurch in our foreign and defence policies. Fortunately, with the British people now taking an unusual interest in non-domestic affairs, there is every hope that, come the election, they will not be debauched by tax concessions and other bribes. I trust that, ere long, we shall have a Government more conscious of the fact that peace cannot be assured, as this Government believe, by deferring on almost every issue to dangerous American backwoodsmen.

8.15 pm

Sir Anthony Grant (Cambridgeshire, South-West): Listening to the hon. Member for Torfaen (Mr. Abse) and remembering what great campaigners both he and the hon. and learned Member for Leicester, West (Mr. Janner) have been in the cause of Soviet jewry caused me to reflect that there must be a big improvement in the lot of those unhappy people before some of the euphoria that we heard from the right hon. Member for Leeds, East (Mr. Healey) is entirely justified.

As the debate started unnecessarily late, I shall not make a great tour d'horizon. I shall confine myself to the Western European Union.

The debate has prompted me to make two rather cynical observations. Listening to my hon. Friend the Member for Basingstoke (Mr. Hunter) describing the oppressive South African measures that have been lifted from the backs of the unhappy black people — the marriage laws, the sexual repressions and others — reminded me that for many years successive Governments — the Conservative Government of which I was a member, and Labour Governments — so far from seeking to impose sanctions when all those oppressive measures were still in force in South Africa, tried to encourage civil trade with South Africa. I make no comment, but merely make that observation.

I was inspired to make a second cynical observation after listening with great interest to the speech of the hon. Member for Berwick-upon-Tweed (Mr. Beith), who mentioned Afghanistan. It was right that he should remind us—and it caused me to reflect—that about a third of the population of Afghanistan have become refugees. Those who have been killed in Afghanistan can be numbered not in tens, or hundreds, or thousands, but in hundreds of thousands. The amount of coverage of Afghanistan by our media has been about two or three hours. The coverage of South Africa must run into hundreds of hours. I merely make those observations without comment.

I shall confine my remarks to the Western European Union, of which I have been a member for nine years, serving on the defence committee and on the General Affairs Committee. We participate in the Western European Union because we believe that it is a vital political forum concerned with the defence of the West, because it is the political arm of NATO—the Atlantic Alliance — and because it involves the important contribution of France outside NATO. The seven European countries which shared views on Europe formed the Western European Union by treaty, animated by a desire for collective defence and committed to the Atlantic Alliance and the European Community.

The cornerstone of the treaty is article 5, which states:

"If any of the high contracting parties should be the object of an armed attack in Europe, the other high contracting parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the party so attacked all the military and other aid and assistance in their power."

I quote that to demonstrate the importance of the Western European Union. The wording of the treaty is in some

ways more powerful than that of NATO. In addition, in an age of highly technical defence, often cloaked in great secrecy, it is essential that there should be an instrument which is an effective communication between the military authorities and European public opinion.

The Western European Union is also a forum for discussion of civil, military, technical, technological and scientific co-operation. My hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson), who is chairman of the Committee on Scientific, Technological and Aerospace Questions, plays a notable and distinguished part in the Western European Union. That should be recorded by colleagues here who are not aware of the good work being done.

No organisation remains stable. It either grows and adapts to change or it dies. Over the nine years that I have been a member of the WEU, I have observed a steady decline in its effectiveness. Therefore, I rejoiced in the move to reactivate it at the Rome meeting in 1984. I thought that the WEU would play an enhanced role and that other nations would be encouraged to participate. I thought that the Council of Ministers and our own Ministers would share that view.

Alas, at the WEU meeting in Venice this year, Ministers showed little intention of achieving this. They poured cold water on the whole idea. I know that recently in Paris the secretary-general announced some initiatives and set up agencies of a relatively minor nature, but no real assurance was given that the WEU was to play an enhanced role.

The hopes of many members were dashed. As so often happens in European matters, initiatives and enthusiasms sink in the bureaucratic and diplomatic sludge. The WEU Assembly is often treated by the Council of Ministers perfunctorily and with little more than contempt on some occasions.

It suits the Council of Ministers to have the Assembly as a cosmetic front, but it seems determined to avoid anything being done, any change being made or any proposal being accepted that would result in Ministers and their officials being shaken out of their cosy, comfortable nest. I regret that in the nine years that I have been in the WEU I cannot recall a British Defence Minister coming to address the WEU. We are always pleased to see Foreign Office Ministers, and we were delighted to see the noble Lady, Baroness Young, at our last meeting. Defence is a fundamental subject. Other nations manage to field their top Defence Ministers. Why do we not do so as well?

My right hon. and learned Friend the Foreign Secretary, in a rather colourful phrase, described the dilemma faced by the Liberal and SDP Members on defence as meaning that they were likely to suffer obsolescence through inertia. I shall not burst a blood vessel if that happens to the alliance, but I do not want it to happen to the WEU.

I can give two recent examples of ministerial inertia. First, the President of the WEU, Mr. Caro, of France, proposed a powerful initiative for the WEU to help in the battle against terrorism.

In the Assembly of the WEU we spend hours debating this subject, condemning it, regretting it and deploring it, but nothing happens in the way of practical results. President Caro produced helpful ideas for the seven nations to co-ordinate their actions against this beastly modern scourge, but once again buckets of cold water were immediately poured on his idea by the Ministers. They said that they preferred to deal through the EEC, despite the fact that the EEC has shown remarkably little enterprise in this respect and, in the case of Greece, positive negligence.

Secondly, there is the problem of enlargement. The WEU either grows or it dies. I should have thought it was obvious that the inclusion of Portugal, which is keen to join and is a member of NATO, and later that of Spain, would enhance the interests of the WEU. It was most creditable of the Spanish people, so wisely led by the moderate Labour Government, to decide quite firmly that they wish to remain in NATO, despite the clamourings and squawkings of the lunatic Left. In addition, Denmark, Norway and even Turkey, if they so wished, could make a contribution to the WEU.

Such an enlargement is opposed by Ministers on the astonishing ground that in some way the political will of the Seven might be jeopardised by the accession of new candidates. What nonsense. What great political will does the WEU exercise now that would be disturbed by the presence of our oldest ally, Portugal? All that will be disturbed is the comfortable lethargy of the Council of Ministers.

Mr. Tindemans, the Belgian Foreign Minister, described what, in his view, were the three main obstacles to the enlargement or revitalisation of the WEU, all of which were completely inexplicable. The first was:

"the instinctive feelings of national and cultural identity that had to be overcome."

What does that mean? The second obstacle was:

"The post-war political concensus in many European countries was in danger of breaking down."

How will that be made worse by other nations joining the WEU?

Thirdly, he said:

"Matters relating to security have to be dealt with in a discreet way, and should not be shouted from the rooftops."

We all know that from our own Parliaments. At least he went on to say:

"The WEU could make a significant contribution to the cause of European unity, especially as its expertise encompasses the vital field of defence policy."

So it can.

Ministers of the WEU, and that includes ours, must show a great deal more drive and determination to make this organisation work in the interests of the defence of the West. I have no doubt about the commitment of my right hon. and learned Friends to the European cause or to the defence of our nation and of the West. However, I should like my hon. Friend the Minister of State to give an absolute assurance that the Government wholly support the WEU and its revitalisation and will do all that they can to encourage the lethargic other Ministers in the WEU to secure its advancement as rapidly as possible.

8.26 pm

Mr. Greville Janner (Leicester, West): Like the hon. Member for Cambridgeshire, South-West (Sir A. Grant), I shall in due course settle into my own corner of interest, but I shall first make a few detours, in view of what has so far been said.

It was sad to hear the speech of the hon. Member for Basingstoke (Mr. Hunter) about South Africa, particularly the part that referred to the need to defer and avoid sanctions for the sake of the black people. Sometimes we should listen to the voices of those who are being persecuted when considering what should be done to prevent that persecution. I proclaim my own sad

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conclusion that there is no alternative to firm sanctions, and my great regret that they have not been imposed and will not be imposed by the Prime Minister.

Mr. Lawrence: Is not the hon. and learned Gentleman aware that those of us who share the view expressed by my hon. Friend the Member for Basingstoke (Mr. Hunter) are listening? We are listening to Chief Buthelezi, who represents the largest tribal grouping of black Africans and to Bishop Mokoena, who represents 4·5 million black Anglicans. They are both leaders of oppressed black groups who are asking us not to introduce economic sanctions.

Mr. Janner: There are matters about which the hon. and learned Gentleman and I agree. This is not one of them. His selective listening is, alas, in this case leading him to a false conclusion. The vast majority of black people in that country wish nothing more than an end to the vicious apartheid regime under which they are forced to live, and believe that it is only real and effective pressure from other lands that can bring that about. They further believe that they will not get it from our Government.

I listened with concern to the speeches about the United States. I share the prevalent distaste for its foreign policy, but I do not share the anti-American feeling that is pervading the House and entering too many debates in this country. I wholly abhor and hate many of the policies of our own Government, but I proclaim the freedom that we have to attack those policies. We do not attack our own country because we loathe the policies of this Government. We take steps to get rid of that Government.

We should apply precisely the same principles in our approach to the United States — a great and vibrant democracy in which huge numbers of its citizens not only loathe the policies of their Government but have the freedom to say so openly, clearly and vehemently. The pendulum, which today has unfortunately swung in the direction of the far Right in the United States Supreme Court, will, I trust, swing back as swiftly as possible. Meanwhile, let those who go to the United States, as well as to countries where people cannot speak their mind, never forget the difference between the freedom that is enjoyed in the United States and the West to attack the Governments and policies of the day as opposed to the lack of freedom that is to be found in totalitarian regimes, especially in the East but also in the middle east.

That leads me to my next point. I so greatly wish that hon. Members, not least my hon. Friends, would understand the difference between democratic lands, such as Israel, with all its failings, in which its citizens may attack its Government — Israel has a Government created by a curious form of democracy, as real as anyone can achieve — and the totalitarian dictatorships in, for example, Syria, which was referred to by my right hon. Friend the Member for Leeds, East (Mr. Healey), and feudal monarchies: oppressive and wicked lands where there is no right to speak without being shot, unless one happens to agree with those who are in command. Any Arab who speaks against the Palestine Liberation Organisation is not only liable to be shot but too often is. That is the problem.

I do not see how my right hon. Friend the Member for Leeds, East can be right about negotiations with the PLO, when the PLO is not prepared to recognise the right of those with whom it is asked to negotiate, to exist as a country and as a secure land; the PLO is not prepared to give up terrorism in any land, including this one in which we are so free to speak. We have the right to speak without the fear of being shot. All civilians should have the right, in any land, to speak their minds without being terrorised.

I congratulate the Prime Minister on her visit to Israel. I was glad that she went. I was there shortly afterwards. She is a Tory Prime Minister. Israel has a Labour Prime Minister who is a close friend of mine. The two of them got on and emerged after their talks saying that it would be boring if there was nothing to disagree about. Neither of them was bored. That is the civilised way in which people ought to do business. I was also glad that at the end of her visit the Prime Minister said that one could not look just to the PLO when negotiating for peace in the middle east. She pronounced openly and clearly that others must be involved in the search for peace in that area.

I cannot spend the time that I would wish in commenting about India, but what a marvellous and magnificent land that is. How it can be governed by anybody is beyond the belief of those who visit and who love it.

I am glad that India's Foreign Minister is to visit this country. Those of us who rejoice in democracy and in the freedom to speak, take pride in a land where 780 million people enjoy democracy. Democracy does not exist in any country next to it. Indeed, it does not exist almost anywhere else in that part of the world. Certainly democracy does not exist, other than in Israel, anywhere in the middle east.

The position in Sri Lanka is not as simple as many of my hon. Friends would suggest. I have been there. The Government of Sri Lanka have tried very hard to create conditions of peace with the Tamils. They have failed. We have failed in Ireland. We in this Chamber are not in a particularly marvellous position to criticise others for their failures. Ours stand before us in all the brutality of death.

I express appreciation to all those colleagues, on both sides of the House, who took the opportunity of their visit to Moscow to raise matters relating to human rights in general, with the Soviet authorities, and who also raised a matter that is very dear to me. All my grandparents were fortunate enough to emerge from the Soviet Union. I want others, not least Jewish people, to have the right to do the same.

I shall never forget that the Red Army was our ally in war. Those who are most hurt today by the Soviet Union's behaviour over human rights are its friends.

I hope that one day those who have won the award of the all-party Parliamentary Committee for the release of Soviet Jewry — people like Vladimir Slepak, Ida Nudel, Alexander Lerner — as well as Alexei Levin and others less known — will come to this House and be received in freedom. I hope that Shcharansky, whose freedom we celebrate, will come here one day and will receive the Bible that so many of us signed, in the hope but never in the belief that he would be free to receive it from us.

That leaves one matter upon which I shall spend a little time. On almost every occasion that I have sought to raise it I have been ruled out of order. I was invited to raise it on another hon. Member's Adjournment debate last Friday, but that debate did not take place.

It is right that we should look at the past in order to light our way into the future. We should look at what happened to British soldiers who were murdered after they

were taken prisoner in order that we may see who did it, and why. We must try to ensure that the kind of people who followed the Fuehrer never achieve power here, as they have done, alas, in other lands, very recently. I refer to the Waldheim matter.

I wish to place before the House information that has not been placed before it in the past. A number of British military personnel were arrested in Greece by German Army Group E. Lieutenant Kurt Waldheim was in charge of all interrogations. I have here a copy of a document that I have passed to the Secretary of State for Defence, which shows that in December 1943 Waldheim was in total charge of all interrogations by that unit.

In April 1944 – at a time when, at one stage, Waldheim said that he was out of the army but when clear records show that this was a lie – a team of seven British commandos and three Greek partisans set out on a raid. They were captured. All of them were interrogated by Waldheim's unit, and probably by Waldheim himself. Only one of them survived, Captain William Blythe. He died several years ago. The rest, so far as we know, were sent for what was called "sonderbehandlung." I served as a war crimes investigator in the British Army of the Rhine. "Sonderbehandlung" was a hideous word which we all got to know. It means, very simply, elimination – the murder of prisoners and civilians.

All these British prisoners of war other than Bill Blythe were eliminated. I even have a telegram in German, which I shall translate. It referred to certain people, including a man called Carpenter, a radio operator, and a Greek sailor called Ligaris. The telegram was sent after Waldheim had asked what was to be done with these people after their interrogation was over.

"They are no longer required",
said his opposite number,
"and they should be sent for 'sonderbehandlung' in accordance with the Fuehrer's order."
They died. They were murdered.

I have managed to trace some of the brave commandos, in this country. Details have been provided to the Defence Secretary, along with another four names which came to light last week. Finally, a letter was received by my hon. Friend the Member for Warrington, North (Mr. Hoyle), who was kind enough to send a copy to me. He is with the Commonwealth Parliamentary Association delegation in Gibraltar, and I thank him for his agreement that I should raise this case here. I thank my research assistant, Steven Cohen, who visited a man called Frank Notley, who kindly gave permission for his name to be used and who lives in Warrington. I shall read only two paragraphs from his extremely moving letter. He said:

"I was a regular soldier and after completing 23 years in the Army I retired in 1957. I was taken prisoner in North Africa and escaped on two occasions from camps in Italy and Germany. I know a little about this swine Waldheim. I first saw him at Camp 182 in Italy. He was present when approximately 30 British soldiers who had been shot dead were returned to Camp 182 for burial. The poor lads were slung out of the back of German lorries as if they were sacks of garbage. You may draw your own conclusion what hand he had in this matter. I again saw him at the Interrogation Centre where I was held."

I hope that other British prisoners who saw this man Waldheim involved with the death of British troops will come forward and let it be known.

Waldheim was not brought to justice. I have a United Nations War Crimes Commission document which puts him in category A—the top category—of war criminals. He was accused by the Yugoslavs for putting hostages to death and for murder. He was never tried. Instead, he became Secretary-General of the United Nations. The first time around, the United Kingdom vetoed his appointment. The second time, we approved it. I hope that the Minister of State will explain why the veto was applied and why it was lifted on the second occasion. If he tells us that that was because of suspected inefficiency, no one in his right mind will believe it. Waldheim was an efficient senior staff officer in charge of interrogations and the veto was applied because we knew precisely what he had been up to during the war, including his part in the killing of Yugoslavs, Greeks, Italians and Jews. Perhaps we did not know about the British prisoners, but we know about them now.

When I first inquired about the British prisoners at business questions, the Leader of the House said:

"I see no particular profit in having a debate . . . or getting involved in the controversies that now rage between the World Jewish Congress and the supporters of Dr. Waldheim". [*Official Report*, 1 May 1986; Vol. 96, c. 1108.]

That was a disgraceful statement which, I am pleased to say, he was good enough effectively to withdraw. He personally asked the Ministry of Defence to conduct an inquiry into these matters. We have not had the result yet.

Mr. Dalyell: Will my hon. and learned Friend accept that many of us gentiles – if I can put it that way – non-Jewish people, are becoming increasingly concerned by what we are learning and particularly at the idea that a man could in any way be category A? What on earth were the United Nations and the British vetting systems up to?

Mr. Janner: I thank my hon. Friend. This is not a matter of Jewish concern; it is a matter of human rights concern, for everybody. It is true that Waldheim was in Greece at the time when almost the entire Jewish communities of Salonika and Rhodes were wiped out, but far more Yugoslavs, Italians and Greeks were killed by his unit and, directly or indirectly, not a few British.

Why that happened is a curious story. I have a feeling, which I hope one day to be able to prove, that when the war with the Germans was over we, and the Americans in particular, had only one main concern, and that was now to deal with the Russians. Therefore, thousands of Nazi war criminals were allowed to go free.

If one then asks why the Russians approved of Waldheim's appointment that is another question. They well knew what he was up to. The answer was probably that they were blocking a Finn whom they did not want as Secretary-General, partly because he was a Finn, partly, I fear, for other reasons, and perhaps partly because people sometimes like to have others in positions of authority over whom they believe that they have some hold.

What is now coming out is that all over the world there has been a cover-up operation, and I regret to say that it appears to extend to Britain. Researchers went to the Public Record Office to look for files about British prisioners of war and about Waldheim. Among the files, they found that a series was missing.

I asked the Prime Minister why those files were missing and whether we could see them. She replied that we could not see them because they were of military or security or intelligence importance. I then asked what they were about. How, after 40 years, can that be? She replied that it was not customary to give details of the contents of files

[Mr. Janner]

of that sort. I have written again and told her that I would not ask for anything to be revealed which could affect Britain's security in any way. No self-respecting Member of the House would do so. But I cannot believe that after 40 years there could be anything that could today affect Britian's security by one iota; that there could be anything from that time which could affect what happens today in the military or other intelligence sphere affect this land.

I believe that this concealment is part of a cover-up operation which applies to Yugoslavia, to the United States, the United Nations and certainly to the Soviet Union. I should like to think that Britain was not involved in it. When those missing files are opened up we will know. If they do not show complicity, let us see them. They cannot have military significance after all these years. If they conceal guilt and they are covered up, there will be a swell of feeling on both sides of the House. Hon. Members will demand that they be produced.

Mr. Dalyell: Ought there not then to be a Government statement on the operation of the weeding system?

Mr. Janner: I agree.

I have been trying hard to obtain a statement from the Government and have failed. Perhaps if there is enough pressure — many hon. Members on both sides of the House feel strongly about this — we shall get the documents and people will see that this is not a vendetta against a man for what he did years ago. He has lied yesterday and today about the matter. He has been elected President of Austria and our Government have sent congratulations to him while we are holding an inquiry into his involvement in the killing of British prisoners of war. How could we do that?

When Waldheim is seated on the presidential throne, are we to send representatives to clap and to cheer? I fear that we shall and that we shall say that it is normal protocol because he was elected.

If that happens I remind the House that it will be a direct repetition of what we did, not in 1933 when Hitler was elected, but in 1934 when he became head of state. A reception was held at which British people were present along with the rest. We as a nation regretted that for many years thereafter.

There are standards of decency of which we in Britain can be hugely proud; standards without which some of us would not be in the House, proclaiming our freedom to speak our minds. But that freedom must be watched over and preserved. The Waldheim case is of great importance, as a touchstone of decency. There will be many in the House who will pursue it until we reach the truth.

8.47 pm

Mr. William Shelton (Streatham): I am glad to follow the hon. and learned Member for Leicester, West (Mr. Janner), whose work I admire very much. He is a great fighter for justice and truth. I hope that what he has said under privilege this evening is well substantiated. Knowing him, I am sure that it is.

I envied the certainty with which he spoke in the first part of his speech for several million blacks in South Africa and the certainty with which he spoke for several million whites in the United States. I wish that I could be as certain about the feelings of those in other countries as he is.

It is on southern Africa that I want to spend a few minutes this evening, not South Africa, but a major country of great importance in south-west Africa — Namibia. I was there a few months ago with my hon. Friend the Member for Sheffield, Hallam (Sir J. Osborn), who led our delegation.

I am speaking about Namibia because it is an important country for three reasons. They are little known but nevertheless they are important. First, it has enormous untapped mineral wealth and is one of the wealthiest countries in minerals that are least developed. The Rossing uranium mine in Namibia provides, I think, about 45 per cent. of all the uranium used in western Europe. That fact alone must give cause for thought.

The second reason for its importance is that it lies between Angola to the north and South Africa, which occupied many hours of parliamentary time recently, to the south. What happens in Namibia in the next year or two will have an impact on South Africa. Thirdly, the changes that are taking place in Namibia could be a lesson to us as to what, perhaps, could or should happen in South Africa.

Namibia is undergoing profound constitutional change. In June last year the new transitional Government was inaugurated and power was genuinely transferred from South Africa to this new Government. The Government have complete power and authority, except, at the moment, in foreign affairs and external defence. The Government are genuinely democratic and pluralist and there is no apartheid in Namibia, except in certain schools, and the new Government are in the process of legislating to remove that.

The Government are transitional because the leaders in the Cabinet, which contains only one white member, the rest being black, are not elected—they are party leaders. The House will know about the problem of the South West Africa People's Organisation. It is based in Angola and is leading guerrilla raids into the north of Namibia. It has refused to take part in this transitional Government.

Mr. Harry Cohen (Leyton): The Government are illegal.

Mr. Shelton: As the hon. Member for Leyton (Mr. Cohen) says, they do not have international recognition. That is why I say that they are transitional. That Government lost their case in the European Court of Justice, but their purpose, which I am sure the hon. Gentleman would support in general terms, if not in particular, is to form a new constitution which they will put to a referendum. If and when it is approved, they will hold internationally supervised elections which they hope will lead to international recognition.

Namibia stands at a crossroads and that is why I am drawing it to the attention of the House. One road could well lead to a Marxist-style unitary state, a closed state as my right hon. Friend the Secretary of State said earlier, along the lines of its northern neighbour Angola, or along the lines of Mozambique. Such a state would be hostile to our interests and probably wretched for the people of Namibia. The other road could just possibly lead in the opposite direction, to a free, prosperous, democratic, westward—looking open state. The road which Namibia follows may well depend upon the outcome of the offensive taking place in Angola against UNITA, and waged by Angolan troops led by Cubans, advised by

Russians and East Germans and using jets that are piloted, I am advised, by Cubans and East Germans. That gives the House an idea of the state of play in that offensive.

The offensive has now started and its purpose is to crush UNITA and to drive Dr. Savimbi out of Jamba where he has his headquarters. If UNITA survives it will be because it has received help from South Africa. More important, it will also have received help from our friend and colleague, the United States. If UNITA survives it will be because of the Stinger anti-aircraft missiles that have been supplied by the United States to the UNITA movement. One might say that South Africa should not help UNITA, but I say that it should, and the United States has also lent a helping hand.

Let us examine what would flow from the crushing of UNITA by Angolan forces. The Cubans would then be able to withdraw from the north of Angola. If that happened, the South Africans would, willy-nilly, have to implement their undertaking on resolution 435 of the United Nations, which I am sure the House knows about. South Africa has said it will implement that resolution if the Cubans have withdrawn by 1 August. That would lead to the abolition of the present transitional Government and, until the elections took place, Namibia would be ruled by a South African director general and by a representative of the United Nations. There would be elections, perhaps a year later, supervised by the United Nations.

In general, the Namibian people believe that the United Nations supports SWAPO. Why should they? In 1973 the United Nations said that SWAPO was the

"authentic representative of the Namibian people."

The House will know that it was the United Nations Assembly that said that and not the Security Council. However, such a distinction would pass unnoticed by the average Namibian voter. Secondly, the United Nations gives financial support only to SWAPO among the Namibian political parties. Thirdly, only SWAPO has the right to address the United Nations Security Council and the General Assembly. Finally, only SWAPO has permanent observer status at the United Nations. Of course, United Nations observers would be neutral, but the result would be likely to be an overwhelming SWAPO victory and that would be due to the bandwagon effect often seen in Africa, because the Namibian voter would believe that SWAPO had the official backing of the United Nations and was therefore most likely to win. *[Interruption.]* If Opposition hon. Members will stop speaking for a moment perhaps other hon. Members might be able to hear what I am trying to say.

The implementation of resolution 435 would load the dice in favour of SWAPO. If UNITA is crushed and the Cubans go and if resolution 435 is implemented by South Africa by 1 August the elections that follow will be supervised by the United Nations. If the people of Namibia think that SWAPO is supported by the United Nations that would load the dice in favour of a SWAPO victory. An overwhelming SWAPO victory would not be in the best interests of Britain or of the people of Namibia.

Let me remind the House that in its 1976 political programme SWAPO said that it wanted to impose scientific Socialism, introduce the social ownership of all the resources of the country, and foster anti-imperialist international solidarity with Socialist countries. The Opposition may say that that is a good idea, but I do not, nor do I think it would be in our best interests.

Mr. George Robertson: The hon. Gentleman specifically wanted my attention. Is he saying that we should load the dice against an organisation in the unlikely event, at least in the short term, that there are free elections in that country? Are we going to choose who the new Government will be, or are we going to take a chance, as we did in the Zimbabwe settlement?

Mr. Shelton: I am grateful to the hon. Gentleman for his interest. It is possible to have elections in which the dice are not loaded. I am sure that he would favour that just as much as I would. But if elections were held against the background that I have described, the dice would be loaded in favour of SWAPO. Like, I am sure, the hon. Gentleman, I should prefer to see free elections.

If UNITA survives, the Cubans will not be withdrawn, because the Angolan Government will need them in order to defend themselves against it. Consequently, resolution 435 will not be implemented, which will give the new Government time to put the constitution to a referendum, to implement their legislative programme, which I hope will gain support, and to call elections by the end of next year. There could be independent observers, perhaps from the Contact Group or the Common Market, and SWAPO could be invited to take part in the elections. So far, SWAPO has always refused *[Interruption.]* I am afraid that the interest shown by the hon. Member for Hamilton (Mr. Robertson) was very fleeting.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): The hon. Gentleman needs a brief.

Mr. Shelton: On the contrary, it is the hon. Gentleman who needs a brief. If he listens to me instead of to his colleagues on the Opposition Front Bench, he will get one.

If the transitional Government call elections before the end of next year and invite SWAPO to take part, SWAPO may well do so. Its base in Angola will be in some difficulty, because UNITA has not been crushed, and the Government may be achieving their programme in Namibia. Thus, SWAPO may take part in free independent elections. However, I very much doubt whether SWAPO will have an overwhelming victory.

So I say to the House and to my right hon. and hon. Friends on the Government Front Bench, who no doubt are paying much more attention than those on the Opposition Front Bench, that if resolution 435 stacks the dice in favour of SWAPO, which could then form a Marxist Government hostile to our interests, our own Government should reconsider our unquestioning support of it. That is especially so if there is on the horizon an alternative road to genuine independence, which is more likely to lead to democratic government.

My right hon. and learned Friend the Foreign Secretary has told me that resolution 435 is the only option with which everyone agrees. But that is not so. In Namibia SWAPO's supporters may total 30 or even 50 per cent., but in general terms, no one else supports that resolution. I should like to see equal recognition of all Namibian parties by the United Nations and an extension of equal rights to them all.

The United Nations should stop paying funds to only one party, which probably represents a minority, albeit a large minority. Our Government should do all that they can to get SWAPO to talk to the transitional Government. Lessons can be drawn for South Africa from events in that neighbouring country.

[Mr. Shelton]

All the political parties, bar two, in Namibia, are co-operating with the white people, in order to move towards free elections and democratic government. That move forward does not spring from the men of violence. It is not SWAPO, but the moderate black peoples, through their political organisations, who have achieved that. Of course, they are accused of being puppets of South Africa. I do not believe that they are, but even if they were, it would not matter as long as they gained genuine freedom and democracy. Surely a peaceful process is better than a violent process.

That road forward must be right, and I urge the Government to support those endeavours.

9.3 pm

Mr. Harry Cohen (Leyton): A full-scale foreign affairs debate is almost as unlikely as a knighthood for Arthur Scargill. But this week we have had two opportunities, because there was a debate yesterday on South Africa and we now have this sprawling and wide-ranging debate. It is ridiculous that there should be inadequate opportunity for full-scale debates on individual international issues. I should like to contribute to a full-scale debate, for example, on arms control. Perhaps I should have said "the arms race", because there is precious little control at present. That is a subject on which the House has failed to make its voice clear. At the same time, the Prime Minister lamely defends virtually every act of the United States Administration in nuclear expansion.

We have not had a debate on the need for a chemical weapons ban, an issue which I raised yesterday in Defence questions and upon which the Government need full-scale chivvying if they are to show the will to come to an agreement.

I do not recall a full-scale debate on the middle east since the 1983 general election, despite the fundamental nature of the injustice and conflict in the area. It has a continuing potential to spread violence and to bring the world to the brink of war. I am one of the sponsors of early-day motion No. 948, which supports the

"rights of the Palestinian people to self-determination within an independent sovereign state"

and

"recognises the Palestine Liberation Organisation as the legitimate representative of the Palestinian people".

There is a need for a debate on Afghanistan. A few cursory references have been made to it during the debate but that is all. I visited Afghanistan recently. Indeed, I was the first western politician to meet the new leader, Dr. Majeeb. There is a need for an informed debate in the House on Afghanistan. Instead, in the Foreign Secretary's contribution, we had a succession of slurs and remarks of undiluted hostility. That is no way to create the conditions that will lead to the Russian troops leaving that country and enable Dr. Majeeb to emerge with his country from feudalism.

Those debates and my contribution to them will have to wait for future opportunities to arise. I wish to address my remarks to the crisis in South Africa, on which there was a debate yesterday. I make no apology for directing my contribution to South Africa despite yesterday's debate because there was not an opportunity for me to participate in that debate. The pressure must be maintained upon the Prime Minister and her Government from inside and outside the House to end her deliberate intransigence, which so helps the current regime in South Africa. I understand that there will be a Cabinet meeting tomorrow, which means that this debate is a suitable occasion on which to point to the action that it is necessary to take.

British capitalism is the main support of apartheid. British companies are the main investors in South Africa. About 40 per cent. of direct investment comes from British companies, and that amounts to £5 billion. Over half the foreign companies operating in South Africa are controlled from the United Kingdom and British banks raised over a quarter of all the capital raised for South Africa. Barclays bank is one of the prime banking houses involved in South Africa. Incidentally, the hon. Member for Stockton, South (Mr. Wrigglesworth), the SDP spokesman on economic affairs, is a paid adviser to Barclays bank.

It is the Conservative party, and especially the Prime Minister, which is the apologist for South Africa everywhere. It is the right hon. Lady and her Government who have been stonewalling and blocking sanctions at every opportunity in the Commonwealth, in the Common Market and at the United Nations. I have a copy of the memorandum that was presented to the Foreign Secretary today by the Anti-Apartheid Movement. It states:

"Britain has lamentably performed the role of protecting South Africa from international action. As worldwide opposition to apartheid has mounted, Britain has chosen to play the prime role in developing and sustaining this evil system. For example, British oil companies are the main suppliers of fuel to the apartheid war machine. British banks dominate the apartheid economy. British electronic companies equip much of the South African police and military and British chemical companies sustain its explosives industries."

What an indictment that is. The Government will not speak to the African National Congress but they disgustedly welcomed President Botha here in June 1984. They are prepared to sacrifice the Commonwealth in subservience to apartheid protectionist policy.

Let us dwell on how the Government have effectively put the boot into the Commonwealth. In October last year a Commonwealth accord was adopted at Nassau dealing with a mandatory arms embargo and economic measures. What is the Government's record on that accord in detail? One of the agreements in the accord was:

"A readiness to take unilaterally what action might be possible to preclude the imports of Krugerrands".

The Government waited seven months before they took any action on that score. That can be contrasted with the United States who took action within a few days of declaring its intention to do so. Another part of the accord stated:

"No government funding for trade missions to South Africa, or for participating in exhibitions and fairs in South Africa".

The Leeds chamber of commerce visited South Africa with Government funding after the adoption of the accord. Trade with South Africa is encouraged by the United Kingdom South Africa Trade Association which enjoys the support of the British Overseas Trade Board. Government funds are still expended in the promotion of trade with South Africa through the presence of commercial attachés in the British embassy in South Africa.

Another agreement was:

"A ban on the sale and export of computer equipment capabale of use by South African military forces, police or security forces".

Such computer equipment can still be exported without a licence from this country to South Africa. The Export of Goods (Control) Order 1985 provides a massive loophole because it effectively removes control over the export of computers other than those specifically categorised in that order. Therefore, there is a great loophole of which the South African military can take advantage.

Another part of the accord provides for:

"A ban on new contracts for the sale and export of nuclear goods, materials and technology to South Africa."

The British Government refuse to disclose information about the sale and export of nuclear goods. However, a formal agreement exists between the United Kingdom Atomic Energy Authority and the Nuclear Corporation of South Africa. The agreement provides for access by South Africa to British nuclear technology and know-how.

Mr. Nicholas Winterton (Macclesfield) *rose*

Mr. Cohen: I shall give way when I finish dealing with the accord.

The accord also states that there should be

"A ban on the sale and export of oil to South Africa".

No such ban exists. It also states:

"A strict and rigorously controlled embargo on imports on arms and ammunition, military vehicles and para-military equipment from South Africa."

No

"strict and rigorous controlled embargo"

exists.

It also states that there should be

"An embargo on all military cooperation with South Africa".

No such embargo exists. It goes on:

"Discouragement of all cultural and scientific events except where these contribute towards the ending of apartheid or have no possible role in promoting it".

Britain is not enforcing that measure. Funds are still provided through the British Council for visits and activities in South Africa which are not to do with the ending of apartheid.

What a dismal record the Government have on the Nassau accord.

Mr. Winterton: I am not sure who prepared the hon. Gentleman's brief for this important debate, but is he aware that the United Kingdom has honoured the arms embargo against South Africa in a unique fashion, unlike most other countries and particularly France, which stepped in to supply arms when the United Kingdom introduced the embargo?

With regard to the nuclear situation, is the hon. Gentleman aware that Israel — a country that he often supports in the House — is probably responsible for providing the nuclear technology now possessed by South Africa?

Mr. Cohen: I condemn all countries which provide support, especially military support, to the apartheid regime. The hon. Gentleman referred to Britain's unique role in this matter. It is certainly unique because it is full of holes and has been breached in all the ways that I have described.

Mr. Corbyn: The hon. Member for Macclesfield (Mr. Winterton) has often spoken of South Africa in glowing and admiring terms. His claim that Britain has adhered to the arms embargo is nonsense in view of the sale of computer equipment, chemicals and other back-up technologies for the assistance of the police state in South Africa. In that respect, the British Government are defying their own embargo.

Mr. Cohen: I agree entirely. I cannot recall the full details, but in a case last year it was the trade unions who managed to prevent the export of military equipment to South Africa by stopping it at the port.

The Government have treated the Commonwealth in a disgraceful fashion and seem prepared to sacrifice it altogether. In the past, the Secretary of State for Foreign and Commonwealth Affairs spoke of sending a signal to the South African regime, but the only signal from the Conservative Government has been that they will appease and apologise for the South African regime at all times. There has certainly been no signal of any effective action to say that apartheid must end.

One of the reasons for that attitude is the Conservative party's ties with companies with investments in South Africa. More than 30 per cent. of donations to the Conservative party come from companies with assets in South Africa. Despite that, however, the Conservative party is split on this issue. On the one hand, there are the out-and-out racists who have crept into the party by the back door and those who have vested interests in South Africa.

Mr. Nicholas Winterton: Name them.

Mr. Cohen: It is clear from the Register of Members' Interests which Members go on trips paid for by the South African Government and are directors of companies with investments in South Africa.

On the other hand, some Conservatives rightly regard apartheid as morally abhorrent. Others fear Britain's isolation in the world. Others rightly regard support for the South African regime as bad for business with black Africa and in the long term with South Africa itself.

The racist regime in South Africa is a vicious and murderous regime. In the last state of emergency there were well over 1,000 deaths and it has started again on a large scale. We know from our television screens how the news blackout has been imposed, and the official propaganda is blatant lies.

Mr. Corbyn: On the first day of the news blackout Soweto day a whole congregation was arrested in church, but that could not be reported by any of the international press there. Is it not incumbent on all Western countries which maintain relations with South Africa to take on the role of telling people what is happening in Soweto and other townships in the hands of the South African military?

Mr. Cohen: I agree with that comment. Conservative Members who hear their hon. Friends supporting and justifying a Government who arrest a whole church congregation must surely think twice about having such people as party colleagues. Part of the nonsense we hear is that black is killing black. The main violence is carried out by the security forces of the regime and by the vigilantes who have been set up, sponsored and supported by it. Then there is the imprisonment of Nelson Mandela and the harassment of Winnie Mandela and countless others who are struggling for freedom.

The regime also exports its apartheid to Namibia. The hon. Member for Macclesfield (Mr. Winterton) has just

[Mr. Cohen]

made a speech about that, but he did not tell the House that more than 100,000 South African-controlled troops are in illegal occupation of that country and that the transitional Government is a puppet of South Africa. No wonder that Government do not have control over foreign affairs and other issues; SWAPO is the legitimate voice of the people.

The South African regime is also a threat to the whole region, as the attacks on the three neighbouring capitals during the visit of the Eminent Persons Group showed. Direct raids, destabilisation and subversion of neighbouring countries has cost billions of pounds and thousands of lives. Yet the British Government defend that regime.

The Government's excuses for not imposing sanctions are feeble. The first main excuse is the argument about jobs in Britain being at risk. What crocodile tears. The Government have not cared about jobs in this country during their seven years in office. They ignore also the opportunity for expanding trade with independent black Africa and the jobs that that would create. They ignore too the prospects for the security of those assets and investments and for trade with South Africa which will be so important for jobs when the inevitable change to black majority rule occurs. If we are frozen out then because Britain supported the racists, the prospects for jobs in Britain will be much worse.

The Anti-Apartheid Movement memorandum summarised the argument on jobs:

> "At best it reflects a failure to grasp the dimensions of the crisis now facing Southern Africa and the possible consequences and costs for human life. At worst, they are a cynical justification for maintaining existing trade and investment patterns and the profits which flow from them. Those profits are from racist and murderous oppression."

That is a very good summary.

The second main argument of the Government against the imposition of effective sanctions is that they will hurt the blacks. They should tell that to the families of the blacks who have already been murdered. The blacks want sanctions so much that they are imposing them themselves via strikes and boycotts. When Sam Nujoma, the president of SWAPO, addressed a Labour party meeting here he summed up the argument succinctly. He said that the Africans are a dispossessed people and that sanctions hurt the whites, not the blacks. The front-line states have been prepared to make substantial sacrifices to impose sanctions.

Let me give Bishop Tutu the last word on the erroneous and phoney argument of the Government about sanctions hurting the blacks. In a statement today he said:

> "I cannot accept Mrs. Thatcher's argument that South Africa's black people would suffer most if sanctions were applied. Blacks are suffering now. We have prayed. We have pleaded for decades with the western Governments in the name of humanity to help end apartheid. Instead we keep being reminded of reforms. We do not want the chains around our necks to be loosened. We want them removed. Apartheid must be dismantled. Our suffering must end. If we do not have sanctions soon then Heaven help us. If sanctions are not applied soon then the future will be catastrophic."

We should support those who argue for sanctions and those who are struggling for change with effective sanctions now.

We should take up the Anti-Apartheid Movement's call to break off diplomatic relations with the South African regime. We should support those who are fighting for a non-racist, democratic, majority rule South Africa. That will happen anyway. We should be supporting it, not because it is inevitable but because it is right.

9.25 pm

Mr. Ivan Lawrence (Burton): Before he became hysterical and beside himself with plastic indignation, the hon. Member for Leyton (Mr. Cohen) made a good point. It is often made and seldom reacted to by the usual channels. It is that we do not have enough foreign affairs debates. I believe that more hon. Members would be present if we had more debates on specific foreign affairs topics. If the hon. Member for Leyton had confined himself to making sensible points such as that, we could all have applauded his speech.

A little before him, the hon. and learned Member for Leicester, West (Mr. Janner) made what I think all of us would regard as startling and horrific revelations about the alleged activities of President Waldheim. They would shock us all, and further investigation is obviously vital. The Government must respond positively. I hope that there will not be any in this House who think that such revelations should be swept under the carpet because bygones should remain bygones. If the generation that has been born since the Nazi atrocities should ever be protected from such knowledge, is it not that much more likely that those atrocities could happen again?

My right hon. and learned Friend the Foreign Secretary made a wise and witty speech. It was witty in that the so-called dead sheep actually did savage the bruiser from Leeds. It was wise because it is wise for the Government to undertake no new initiatives in the middle east. Although they pay lip service to the Venice declaration, I am pleased that it now seems to be dead. Although they pay no lip service to Camp David, it sounds as though the Camp David agreement is being allowed to revive.

My right hon. and learned Friend's speech was wise because he spoke of the importance of the Atlantic Alliance, which is under strain, not least as a result of the behaviour of our friends who appear to have rewarded our brand of loyalty to them in a rather less than responsive way.

There is also the wisdom of our commitment to improvement of the world food supply to famine-prone nations. I am delighted to see that the Government Front Bench is now occupied by my right hon. Friend the Minister for Overseas Development, who has done much to help guide British foreign policy in Europe and in the Commonwealth to provide a better distribution of food supplues and resources that will help peasant farmers to provide more food of higher quality themselves. Many of my constituents and others will welcome the accolade of an award for Bob Geldof for the wonderful work that he has done to alert all of us to the pressing needs of the African sub-continent.

It was a wise speech because it referred to the need for nuclear strength as the strongest bastion of world peace and to human rights as the strongest bastion there is of a humane and happy society.

There is sanity from the Government over economic sanctions. I have been here for all the speeches, and it is ridiculous for some hon. Members to sound off as though in our resistence of economic sanctions we are demanding something that is contrary to the interests of the black majority in South Africa. To relieve our own feelings of

guilt and the emotional hatred of apartheid which we all have, we are being pressed to cause economic collapse, because that is the object of the exercise. If we take away the jobs that are now being filled by 1 million or 2 million blacks in South Africa, they will go on to the streets and will be driven by leaders into revolution. They will therefore spark off repression, and there will be infinitely more bloodshed, infinitely more quickly, than if by negotiation we try to sort out the mess and confusion of South Africa.

I am told that this is against the wishes of the blacks, but Labour Members have a terrible hang-up about going to South Africa and meeting South Africans. They should meet those people, because when the leader of 6 million Zulus says, "No sanctions," and when the leader of 4·5 million blacks Anglicans says, "No sanctions," we are indeed listening when we say that economic sanctions are not the best way of getting South Africa out of this problem.

Mr. George Robertson: Before the hon. and learned Gentleman makes such statements, perhaps he will check the facts. My right hon. Friend the Member for Leeds, East (Mr. Healey) and my hon. Friend the Member for Swansea, East (Mr. Anderson) are both going to South Africa next week with that precise purpose in mind. Indeed, my hon. Friend the Member for Swansea, East, who is our spokesman on South Africa, spent nearly a fortnight there last year consulting precisely that opinion to ensure that the opinions that we hold are as authoritative as possible.

Mr. Nicholas Winterton: He met a very narrow group of people—the UDF.

Mr. Foulkes: The hon. Gentleman is a paid apologist and a Fascist.

Mr. Nicholas Winterton: On a point of order, Mr. Deputy Speaker——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) made a remark from a sedentary position which I am sure he will want to withdraw. We ought not to allege lack of integrity and honour against any hon. Member.

Mr. Foulkes: I withdraw the second part of what I said. The hon. Gentleman is a paid apologist of the regime.

Mr. Nicholas Winterton: On a point of order, Mr. Deputy Speaker. The hon. Gentleman accused me of being a Fascist. I ask him to withdraw. It is unjustified, and he says it without proof.

Mr. Deputy Speaker: I must say that I did not hear that remark.

Mr. Foulkes: I withdrew that remark, but sustained my remark about the hon. Gentleman being a paid apologist of the apartheid regime.

Mr. Nicholas Winterton: I am certainly not a paid apologist. If the hon. Gentleman can prove that I have received any money from the South African Government——

Mr. Deputy Speaker: Order. The hon. Member for Carrick, Cumnock and Doon Valley again knows that that is an allegation of dishonour against an hon. Member that is not allowed, and he must withdraw it.

Mr. Foulkes: If you insist, Mr. Deputy Speaker, I withdraw.

Mr. Lawrence: I was rather hoping that the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) would repeat that outside the House so that I could offer my hon. Friend the Member for Macclesfield (Mr. Winterton) legal assistance, for which I would be paid.

Mr. Nicholas Winterton: And I would accept.

Mr. Lawrence: Having praised the Government, I must also say that there are one or two inconsistent features of our policy. If we are determined, as the Foreign Secretary said we were and I am sure we are to take a stand against terrorism and violence, which we would all applaud and to that extent we sent packing two representatives of the PLO who refused to renounce violence why then do we call for the release of Nelson Mandela before he renounces terrorism and violence? That is an inconsistency.

On a less violent and more ideological level, the determination to enhance Britain's reputation and to foster adherence to principles of democracy and freedom under the law, which we all embrace and would like to see advanced, clashes somewhat with our reluctance to spend adequately on teaching overseas students in this country and bringing our system of education and the British way of life more closely into their lives. I sometimes think that the same is true of our reluctance to fund BBC overseas services properly, which would do more than anything to spread abroad the good name of Britain's democracy and our way of life and rule of law.

Perhaps I should tell my hon. Friend the Minister of State that a famous refusenik I am sure he will not mind my naming him Victor Brailovsky in Moscow told me that he thought the reason why the Soviet Union did not jam the BBC overseas services in English was that the authorities had some respect for the quality of the broadcasts, which were balanced, and contrasted with some of the other English language broadcasts from other nations, which will remain nameless. That is my tour d'horizon.

I now turn to the central issue of both Front-Bench speeches — United Kingdom-Soviet relations. Soviet leaders listening to the speech of the right hon. Member for Leeds, East (Mr. Healey) and to a lesser extent to speeches of other Opposition Members, will have reason to pat themselves on the back for having taken in some important Members of Parliament. Obviously, Mr. Gorbachev is a new leader with a more presentable and attractive face, and so has his wife. Surely it is far too premature to conclude on that evidence that this is a new Soviet Union with a new approach to the United States and Western Europe?

Hon. Members should ask themselves some questions. Would Mr. Gorbachev have come so far so quickly if he had not had the backing of the old guard, which means that he was endorsing their policies? Is there any reason to think that the international department of the Supreme Soviet, which inspired the invasion of Afghanistan, has changed its attitudes or policies? Does not the appointment of a Soviet Foreign Minister with little experience of foreign affairs—the right hon. Member for Leeds, East used that fact in support of his argument—mean that foreign policy is more likely, not less likely, to

[Mr. Lawrence]

be guided by party officials the apparatchiks? When we have weak leadership, Ministers or councillors, who takes power? It is the civil servants and local government officials. Is there any reason to think that the KGB or the GRU are to be wound down, or that subversion will be any less in the world than it has been in the past? What evidence is there that the Soviet Union has changed its ideological and opportunistic spots? It has not withdrawn from Afghanistan. It has not stopped banning Russian-speaking broadcasts. It has not improved the free flow of ideas. It has not done much to improve trade between our nations, and it has not made any noticeable concessions on human rights.

As the Foreign Affairs Select Committee stated in paragraphs 2.10 and 2.11 of its third report on United Kingdom-Soviet relations, which was published at the end of May:

"No one who has had direct discussions with contemporary Soviet leaders can fail to have observed their implacable ideological opposition to Western capitalism, their attribution to the United States and its allies of responsibility for the current causes of international tension, their belief (though declining) in capitalism's 'inevitable' demise, and their professed faith in the inevitable victory of world socialism . . .

There was no sign of a shift away from these fundamental, ideologically-based perspectives in Mr. Gorbachev's recent report to the 27th Congress of the Soviet Communist Party, nor could such a shift be expected."

To conclude that the Russian bear after Mr. Gorbachev's accession is a different animal, or that the fresh mind referred to by the right hon. Member for Leeds, East is necessarily a different mind, is wishful thinking of the kind in which the right hon. Gentleman usually indulges to great excess.

Lest I sound despairing, I tell my hon. Friend the Minister that I am not. It is quite clear that a change of attitude is emerging in the Soviet Union from which the world could benefit. It is important to appreciate that we are dealing with a new position. We should not be deluded into thinking that we are dealing with a different adversary.

The change of attitude has come about because the Soviet Union is desperately anxious for nuclear disarmament. I think that all hon. Members welcome that and agree with it. The main reason for that change is that the Soviet Union has now to face the problem of a total lack of resources in the face of the strategic defence initiative. The problems facing the Soviet Union are many. It has difficulty feeding itself. It has difficulty running its economy efficiently. It has difficulty, in a world of mass communication, keeping its consumers happy. Its consumers will shortly, if they do not already, be able to see more clearly on their television screens the pleasures enjoyed by citizens of other countries. The Soviet Union has difficulty funding its satellite countries.

The Foreign Affairs Select Committee recently visited Vietnam. It was clear to us that the Russians have put a limit on the amount of money that they are able to pour into Vietnam and the army in Kampuchea. I think that that is why a date of 1990 has been set for their withdrawal, although that seems to me to be contrary to what one would expect to happen in the far east. If the Russians do not withdraw in 1990, there will be a loss of face.

The Soviets have difficulty funding Cuba, Central America, and all their activities throughout the world. They have difficulties within their own empire. One of those is the rise of Islamic fundamentalism, which is beginning to worry them greatly. They have problems of defence against China, ideologically as well as militarily, on their borders. They have difficulty controlling the far-flung provinces of the Soviet Union. Vladivostok is almost a million miles away from Moscow. One can see, when the Soviets have to deal with the leaders of those countries, how difficult it is for them to exercise control.

I do not know whether the stories from Chernobyl are true. Stories are coming out of Chernobyl that the extent of the medical disaster is more considerable than we would like to think. If that is so, the Soviet Union will shortly be trying, throughout the world, to gain access to medical equipment and supplies which it cannot provide.

As a result of all those problems and the strain on the resources of the Soviet Union, the new man with the new look has come in. He visited the United Kingdom in November 1984 as the guest of the IPU and the Select Committee. He came with his Foreign Affairs Committee. The Foreign Affairs Committee of this Parliament and the IPU visited the Soviet Union. The Soviet Foreign Affairs Committee is, we hope, to visit Britain again. The Soviet Foreign Minister is coming here in July. There is a greater exchange between the Soviet Union and Britain. I have no reason to think that the same thing is not happening with other countries.

The Soviets are wooing the United Kingdom in particular. That is not just because they have a certain admiration for my right hon. Friend the Prime Minister which I think was manifest to us when we were in the Soviet Union. They have a certain respect for the prompt action that we took in the Falklands. They think that we are capable of putting a restraining hand on the United States of America. They hope that they can drive a wedge between the Atlantic Alliance and either Britain or Europe and stop the United States developing the strategic defence initiative. They are afraid of matching the expense of that programme. I cannot help but feel that those in Britain who press strongly for the reversal of that programme and for Britain to stop its support of it are playing the Soviet game.

In the face of such an objective, we should be strengthening the Atlantic Alliance, not weakening it, and backing the strategic defence initiative, not trying to kill it. When we were in Russia, it was clear that the Supreme Soviet was paranoid about SDI—as paranoid as some of those hon. Members who have spoken against SDI. If that is a fair assessment, that feeling provides the best hope of bringing the Soviet Union to the negotiating table, which it did, and keeping it there, which it is doing. We hope that the Soviet Union will come forward with more genuine, meaningful, and acceptable proposals for nuclear and conventional arms reductions. The card of the SDI is a strong one in Western hands.

Mr. Corbyn: Does the hon. and learned Gentleman not deeply regret President Reagan's decision to abandon the latest SALT negotiations? Will he confirm that, in recent years, there has been no occasion on which the Soviet Union has walked away from negotiations? The Gorbachev plan is to enhance negotiations rather than to walk away from them. Would the hon. and learned Gentleman not do better addressing his remarks to President Reagan?

Mr. Lawrence: The United States did walk away in Geneva. It was showing a more solid face against the negotiating procedures in a number of other fora than we have seen since the SDI was launched. I agree with the Government's view, which, strangely enough, is shared by the hon. Member for Islington, North (Mr. Corbyn), that we should try to persuade the United States to think again about its proposals on the SALT relationship.

Human rights — the release of Soviet Jewry, the honouring of religious freedom for Christians, Jews and those of any other religious sect and cultural freedom — are important to us. My hon. Friend the Member for Canterbury (Mr. Crouch) said to Mr. Gorbachev that the human rights issue was not a laughing matter because for us in the West it was important for its own sake. That point has been endorsed by a number of hon. Members.

But it is even more important than that. The Soviet attitude to human rights is an indication of how much we can trust the Soviet Union in a world in which the absence of trust is what separates the West from the East. If the Soviet Union fails to honour its undertakings to its own people, how reliable are its undertakings to other people? Paragraph 6·11 of the report of the Select Committee on Foreign Affairs states:

"We would add that whoever those commitments may benefit, the fact that an internationally binding agreement, given in the glare of world publicity, fails to be honoured, can only undermine confidence that subsequent internationally binding undertakings may not meet the same fate. Lack of progress on human rights therefore remains a serious obstacle to public perceptions of the Soviet Union and its reliability and integrity. That is why the honouring of such an international undertaking as the Helsinki Accords is considered by other governments to be so important a test of the likely reliability of the Soviet Union in any other international undertakings which it may seek to make, particularly on arms control."

The message that we have to get across to Mr. Gorbachev is that if the Russians want us to trust them when they promise to enter into binding undertakings on arms control, they must first honour their international binding obligations on human rights. When they do that, we can trust them and we shall be a united House in rejoicing when that end is achieved.

9.50 pm

Mr. Tam Dalyell (Linlithgow): I associate myself with what the hon. and learned Member for Burton (Mr. Lawrence) said about cuts in the BBC overseas service. The speech of my hon. and learned Friend the Member for Leicester, West (Mr. Janner) was important, and many gentile Members would like to know about past British Governments and military personnel.

I shall concentrate on one subject. It is what my right hon. Friend the Member for Leeds, East (Mr. Healey) referred to as serious deceit over Libyan bombing, particularly that shown to European colleagues. This is a live issue. The "World in Action" programme on Monday, done by Ray Fitzwalter, David Mills and Eammon O'Connor, was a remarkable programme that posed questions that have to be answered. The programme said:

"As more terrorism threatens, some Americans argue the whole crisis is unnecessary and has been manufactured by President Reagan . . . Some prominent Americans believe the Reagan Administration has exaggerated the threat of terrorism and deliberately forced a confrontation with Gadaffi."

Rear-Admiral Eugene Carroll, admittedly one of the critics of the Administration, said:

"This has been very adroitly done. We have made Gadaffi an enemy, a symbol of terrorism."

The programme continued:

"Tonight some of President Reagan's own advisers admit that the attack on Libya had less to do with terrorism and more to do with reversing years of humiliation that began with Vietnam."

A clip was then shown of President Reagan, and the commentary said:

"In 1981 these past humiliations swept President Reagan to power. He promised things would be different in future."

The programme continued:

"The obvious targets were either Syria or Iran . . . both had been deeply involved in many terrorist attacks on America.

But both have powerful defences and are close to the Soviet Union.

So the Americans turned instead to Gadaffi and Libya, a country with a tiny army and population half that of London."

It then showed a clip of Gadaffi and said:

"Gadaffi was chosen not so much for organising terror but for taunting America. He became the perfect target for President Reagan."

Mr. Jenkins, an adviser to the Reagan Administration, then said:

"you know the United States is brought up on stories that have good guys and bad guys . . . heroes and villains."

The programme then showed a clip of President Reagan saying:

"We have evidence which links Libyan agents or surrogates to at least twenty-five incidents."

The programme said:

"Despite the rhetoric, incidents last year like this hijacking of a TWA jet were never proven to be directly linked to Gadaffi."

Nor was the tragedy of the Achille Lauro.

Dr. Kupperman then said:

"The whole notion of bringing thirty capital ships well before we attacked Libya . . . to bait them, to cross this ridiculous line of death . . . our intention was to bait them."

The programme then went on to comment about the next incident:

"That came in April with the bombing of this West Berlin disco and the death of an American GI. As with some of the earlier incidents there is now evidence that Syria rather than Libya was primarily responsible."

On 12 June, I tabled a question to the Prime Minister asking her

"what information Her Majesty's Government received from the German authorities both before and after the decision by Her Majesty's Government to grant approval for the use of United Kingdom bases for the United States attack on Libya, regarding the evidence available to the relevant authorities in Germany of any alleged involvement by Libya in the recent bombing of a nightclub in Berlin."

The Prime Minister replied:

"We have kept closely in touch with the German authorities on this matter. There is clear evidence that Libya was involved in the bombing of La Belle discotheque in Berlin on 5 April."—[*Official Report*, 12 June 1986; Vol. 99, c. 287.]

It is about time that this clear evidence was produced, because some of us have been deeply unhappy, from an early stage, about the whole episode.

I go back to 14 April. For the sake of time, I shall refer only to column 579 of the *Official Report* for 14 April 1986. On a point of order, I regretted that the private notice question of my right hon. Friend the Member for Leeds, East—this was before the bombing—was never granted. Although I believe that Mr. Speaker's motives were wholly honourable——

Mr. Andrew Faulds (Warley, East): Will my hon. Friend give way on that point?

Mr. Dalyell: No, not until I have finished my sentence.

It was deemed a great pity that the private notice question of my right hon. Friend the Member for Leeds, East was not granted, as the obvious question about the use of British bases would have been asked. The House of Commons would then have had some input into events and the bombing of Tripoli before they took place rather than simply holding a post mortem. I now give way to my hon. Friend.

Mr. Faulds: I am grateful to my hon. Friend for giving way. Is it not a fact that on that unfortunate Monday when the House was not allowed to express its views about the impending attack on Libya the Foriegn Office was apparently prepared to make a statement, that it was overruled by No. 10 and that, unfortunately, Mr. Speaker felt unable to allow questions on the matter? The significance is that, had the House uttered on that day, the Prime Minister's exercise in allowing the Americans to use bases in Britain might have been a little more difficult to project as something that was acceptable to the British public.

Mr. Dalyell: I have no proof of that. I am extremely careful to say what I know and what I guess to be the truth. I guess that to be the truth. My only comment is that when the House of Commons is in any way deprived of its say, it is not to the advantage of our country.

However, I suppose that one can understand the Prime Minister's decision not to reveal the use of British bases before an attack. What the House of Commons desires to know is to what extent the Prime Minister's senior colleagues were consulted. For example, the Secretary of State for Defence said on Radio Ayr:

"Something has got to be done. I think that my colleagues and I are very dubious as to whether a military strike is the best way of doing this. It is liable to hit the wrong people, it creates other tensions in the area. There are a lot of other things that can be done which my colleagues are certainly looking at very hard—further withdrawals of permission for diplomats from offending countries, action like reducing trade and reducing contacts of one sort or another, with those who refuse to outlaw terrorism."

Those are not the words of a man who expected this action to take place.

I refer to Malcolm Spaven's chapter in Pluto's quickly produced book "Mad Dogs". On the permission to use F111s and tanker aircraft from British bases, he said that British military forces were also involved and that

"The Ministry of Defence admitted on 17 April that RAF Nimrods at St. Mawgan, and possibly Gibraltar, were put on standby to provide search and rescue cover for the F-111s returning from the raid."

If that is true, at least the Secretary of State for Defence should surely have known about it. I quote again from "Mad Dogs". Mr. Spaven said that my right hon. Friend the Member for Cardiff, South and Penarth (Mr. Callaghan) told the House on 17 April 1986:

"it 'never occurred to anyone' when US bombers arrived in the UK in 1950 that these aircraft would be used for non-NATO purposes."

So much for the Secretary of State for Defence. I ask, when was the Foreign Secretary consulted? Was it after or was it before anything could usefully be done to act on the considered advice of the Foreign Office? The Foreign Secretary said:

"No evidence emerged during the discussion that any Foreign Minister was aware during the meeting of a final American decision to attack. For my part, I had no confirmation of any decision by the President, still less of any decision to authorise raids that night, until I came back to London and met the Prime Minister." [*Official Report*, 16 April 1986; Vol 95, c. 950.]

These questions are not simply Opposition mischief-making. In his remarkable speech in the other place on 18 April, Field Marshal Lord Carver recalled at column 894 that the Prime Minister had said that discussions with the President covered a week. The Field Marshal asked Lady Young to tell the House who was consulted and who agreed. To date, the Field Marshal's questions have gone unanswered. The House of Commons deserves an answer.

The House of Commons is also entitled to press the Prime Minister as to her real motives for agreeing to the use of British bases. On 15 April, in answer to the hon. Member for Thanet, South (Mr. Aitken), the Prime Minister said:

"That was a factor in the decision to use our bases and why those aircraft were especially right for the action that was undertaken."

The hon. Member for Thanet has asked:

"Was she influenced not only by loyalty to an ally with a just cause, but by a much more practical consideration: that fewer risks were likely to be caused to Libyan civilians and to United States military personnel if the United States used the much more precise equipment, the F111, rather than carrier-based aircraft?"

To my hon. Friend the Member for Blaydon (Mr. McWilliam), the Prime Minister replied:

"the F111s were required because they are more accurate on particular targets" [*Official Report*, 15 April 1986; Vol. 95, c. 726.]

It being Ten o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Motion in the name of the Prime Minister for the Adjournment of the House may be proceeded with, though opposed, until Twelve o'clock.—*[Mr. Donald Thompson.]*

Foreign Affairs

Question again proposed, That this House do now adjourn.

Mr. Dalyell: Yet from the Pentagon come very different reasons. First, the attack on Libya provided a proving ground for weapons. *US News and World Report* carries an article by William Broyles, Junior, on 12 May 1986, on the politics of war, in which he writes:

"The budget, in short, is the mission. 'It all comes back to the budget', says one ex-Pentagon analyst. For years we've been saying that radar, infra-red and smart bombs are the way to go. We've spent billions on night-mission avionics, so we had to try to use them, even if a daylight strike would have been better."

Equally bluntly, *Aviation Week* of 21 April asserted that the attack on Libya:

"provided a good proving ground for the F111s to be flown into the Mediterranean, and gave the Air Force a chance to demonstrate its capabilities."

A raid of this kind was deemed to have great value in the presentation to Congress of the case for greater spending on the United States Navy and Air Force. But it was not a reason given by our Prime Minister to our House of Commons.

Secondly, there was inter-service rivalry between the United States Navy and Air Force. As a senior official of the Pentagon artlessly put it to *Aviation Week*, page 19, 21 April:

"Understandably, after the all-Navy action in Libya last month, the Air Force wanted a piece of the action."

Again, that was not a reason given by our Prime Minister to our House of Commons for the use of territory in Britain as a base for non-NATO operations.

I refer again to Spaven, page 23, who says:

"Libya has large numbers of Soviet-built weapons; engaging them in limited combat would give US forces experience in employing electronic countermeasures and untested new weapons, and assessing the performance of Soviet weaponry."

Thirdly, there has been the formidable lobby in the Pentagon which has been championing the idea of joint service operations, particularly the land-based aircraft in support of naval operations. When the joint chiefs of staff sat down in December 1985 to consider the military options against Libya, Admiral James Watkins, and others—Watkins was chief of naval operations—saw a useful opportunity for a joint naval-air force operation to demonstrate the value of their concept to doubters in Congress and the Pentagon. Again, that was not a reason hinted at by our Prime Minister to our House of Commons.

We are dealing with what is referred to as the best all-weather precision aircraft in the world. Spaven said:

"The main night-attack capability on US Navy aircraft carriers is the A-6E. In 1984, US Secretary of the Navy John Lehman described this aircraft as 'the best all-weather precision bomber in the world'".

Why could not they do the job? Why could it not be done by the Coral Sea or the United States sixth fleet? It is simply not true that the bomb-aiming equipment of the F111s was superior to the bomb-aiming equipment ot the carrier-borne A-7s. They both had the same TRAM system, or its equivalent.

Fourthly, and possibly most important of all from the point of view of the House of Commons, whereas certainly the internal politics of the United States military were an important reason for the attacks on Libya, the nature and timing of the raid had much wider political implications.

I quote from the April 1986 issue of *Sanity*. On page 18, Dan Pleasch asked Rear-Admiral Carroll of the Center for Defence Information in Washington:

"In your experience, would it have been practical to use the F111s, and ask the British afterwards?"

Rear-Admiral Carroll replied:

"That was the basis on which the plan was prepared."

The implications are chilling. A major reason for including the F111s in the operation was to tie in Britain as one European country seen to be supporting the United States. Again, this was not a reason that the Prime Minister offered to the House.

On 3 June I put to the Prime Minister a question about the characteristics of the F111 aircraft based in the United Kingdom which rendered their use essential for the United States' attack on Libya. The Prime Minister replied:

"The F111 aircraft based in the United Kingdom provided the best equipped means of carrying out the United States operation against specific terrorist targets in Libya, with the lowest possible risk of Libyan civilian and United States service casualties. As the United States has indicated, the F111 possesses advanced avionics and other capabilities which made it particularly suitable for such a mission."

I then asked the Prime Minister to:

"name the senior American, or Americans, who told her that the F111s were more precise than the carrier-based aircraft."

The Prime Minister replied:

"That was the advice that we received both from across the Atlantic and from home."—[*Official Report*, 3 June 1986; Vol. 98, c. 730-1.]

When pressed on that occasion and later by my hon. Friend the Member for Doncaster, North (Mr. Welsh) the Prime Minister becomes uncharacteristically vague about the question of what she was told by the Americans. In *The Scotsman* Martin Dowle asserts that President Reagan did not talk personally to the Prime Minister in the week before the Libyan raid. What senior American speaking to our Prime Minister implied that the expensive carrier-borne A6s and A7s were so inferior to the F111s that they could not carry out the Libyan mission? Any American who said that would have been asked some awkward questions by the United States Navy and by United States taxpayers back in Washington. I ask the Prime Minister to let us know who exactly did tell her, if anyone did, about the F111s being more precise, avoiding collateral damage, and cutting down civilian casualties? The Prime Minister has got to the stage where she will invent any cock and bull story that will get her out of a jam.

On page 63 of *Aviation Week* of 2 June we read:

"In the Libyan Raid the 6th Fleet Commander was given the time frame to attack, and he had the responsibility of putting it all together."

The implication is that it was the sixth fleet commander, down in the Mediterranean, who planned and organised the raid, and for that reason the House should be told how the Prime Minister could possible know how the raid would be conducted. The sixth fleet commander had full responsibility. Command and control of the operation was given to the on-scene commander. How does the Prime Minister make out that she had any kind of a British veto?

The Minister may switch ground, and claim, as the Prime Minister claimed, in answer to the hon. Member for Thanet, South on 15 April when she said:

"We were also influenced by the fact that the United States has hundreds of thousands of forces in Europe to defend the liberty of Europe. In that capacity they have been subject to terrorist attack."—[*Official Report*, 15 April 1986; Vol. 95, c. 726.]

If this is a reference to the bombing in West Berlin. Could the House of Commons be told why the Bundeskriminalamt, the Federal Police in West Germany, have even now refused to confirm the Libyan connection and why Herr Lochte, the chief of the Verfassungschutz, the bureau for the protection of the constitution, has said that he excludes any Libyan connection, and why the German intelligence, the Bundesnachrichtendienst, differs substantially for the Americans about the interpretation of Libyan messages?

The Parliamentary Questions that I put down for the Prime Minister and the Foreign Office have got me nowhere and the answers are misleading. For example, on 3 June the Under-Secretary replied:

No. Berlin is not part of the Federal Republic of Germany and is not governed by it. The allies, who have supreme authority in Berlin, remain in close touch with the German authorities in the city. [*Official Report*, 3 June 1986, Vol. 98, c. *414*.]

I ask the Government to be a little more candid about the advice that they are receiving from Germany about the connectionss between the tragedy in West Berlin and Libya. Before someone launches an attack on Benghazi or Tripoli, he had better be very clear about the basis for doing so.

I am no admirer of Mr. Botha, but he was quite justified in drawing comparisons between what our Prime Minister and President Reagan did, and the attacks so universally deplored on Zimbabwe, Zambia and Botswana. It is not just the Prime Minister's critics who think along those

[Mr. Dalyell]

lines. Ferdinand Mount, writing in the *Spectator* not exactly the house journal of the Labour party on 24 May 1986, says on page 6:

"For the comparison does throw a fascinating if rather eerie light on our confused and conradictory attitudes towards terrorism and the response to terrorism. The two raids are as nearly alike as any two events in an untidy world. The Governments of Zambia, Botswana, and Zimbabwe may not sponsor terrorism in quite the same way as Colonel Gaddafi does, but the distinction is not a crucial one."

But what is crucial is the whole question of the control of operations. I shall refer briefly once again to the excellent case deployed by Michael Spaven in the book entitled "Mad Dogs". I shall quote three extracts. The first states:

"What Mrs. Thatcher's words do not indicate is whether there are any circumstances in which Alliance solidarity would not operate, making refusal possible. Nor do they give any indication of whether such a refusal would be accepted by the United States; in other words, whether Britain actually has the power to control the activities of US military forces stationed here."

The second extract states:

"Early in 1986, Mrs. Thatcher could say only that she 'would expect to be informed, when US nuclear forces in Britain were placed on alert."

Mr. Corbyn: I thank my hon. Friend for giving way on this important point. Will he confirm that under the 1953 war plan made by the then United States President Eisenhower, when the United States considers itself to be in a state of war or readiness for war, it does not necessarily consult any of its western European allies before attacking a third country?

Mr. Deputy Speaker: Order. Before the hon. Member for Linlithgow (Mr. Dalyell) resumes his speech I remind the House that five Back-Bench speeches have lasted for more than 20 minutes. The debate started late, and some hon. Members who have sat in the Chamber throughout the debate will not have an opportunity to speak unless hon. Members speak briefly.

Mr. Dalyell: I reply to my hon. Friend by saying that the Foreign Secretary said that

"it is not a question of a publishable agreement".

Mr. Spaven adds:

"Nor is there any way in which the British air traffic control authorities could stop US aircraft from taking off; they have no right to question the purpose of US military flights, which in any case are under no obligation to file flight plans with the authorities unless they are intending to fly through what is termed 'controlled airspace'."

Finally, Mr. Spaven says:

"The danger is that the US will not sign any deal on control of its bases which does not contain a get-out clause of that sort — which would bring a future British government right back to the square one of 'joint decision in the light of the circumstances prevailing at the time'."

That is a real problem for the Alliance. However, in view of the time factor, I shall leave it at that. Nevertheless, the question of controls is a very important issue. I ask for a considered reply by letter.

Foreign Affairs

10.13 pm

Mr. David Atkinson (Bournemouth, East): The theme throughout yesterday's debate was political and human rights in one country, South Africa. This evening, as well as referring to the situation in South Africa, I shall discuss our approach to human rights generally.

There is no doubt that Britain, perhaps more than any other country, stands for the maintenance of freedom. One can argue that the House is a symbol of that freedom, as was certainly the case during the last war. In every country, without exception that I have visited since 1979, the reputation of my right hon. Friend the Prime Minister has stood as high as Churchill's ever did in support of freedom.

Mr. Foulkes: Come off it.

Mr. Atkinson: The hon. Gentleman has obviously never been abroad, or, if he has, he has not listened to what people say.

There is no doubt that the denial of human rights remains the major obstacle to world peace and security, and to trust and confidence between nations. As the world knows, we as a nation have always accepted a major responsibility in attempting to make the international treaties and institutions concerned with human rights succeed, and one such is the Helsinki Final Act. There have been many times when I have questioned the continuation of the Helsinki process because of the continued failure of the Soviet Union and its allies to implement the provisions which they have approved and supported, but I accept that we must persevere.

The Helsinki process provides too valuable an opportunity for violations by participating states to be raised. It keeps them in the dock of world opinion and enables us to raise specific outrages, such as the current persecution of the Turkish ethnic minority in Bulgaria. That issue was raised at Ottawa last year, but the fate of the Turkish minority has not, in my view, been sufficiently appreciated by the free world, with the result that Bulgaria continues to force its Turkish citizens—about 10 per cent. of the population—to change their names, to close their schools, and to abandon their language and customs.

All this is highlighted in a report of the Council of Europe last year. I am grateful to my hon. Friend the Minister of State, who is to reply, for raising this matter in Sofia last month. I look forward to his comments later.

Mr. Corbyn: The hon. Gentleman condemns the persecution that is taking place in Bulgaria, but will he condemn the Turkish Government for their denial of the liberty and identity of Kurdish people within the national boundaries of Turkey?

Mr. Atkinson: I think that the hon. Gentleman is confusing the attitude of the present democratically elected Turkish Government with that of their predecessors, when there was no democracy. Instead, there was chaos and anarchy and the military Government took over the running of the country to try to put matters right and to restore democracy to Turkey.

The Helsinki process enables the cases of individuals to be raised. These include those who are harassed or discriminated against, persecuted or imprisoned for courageously campaigning in their own countries for rights and freedoms which we take for granted. These include Rostislav Evdokimov, who is serving five years' imprisonment and five years internal exile for campaigning for free trade unions in the Soviet Union, and Father Gleb Yakunin, who is serving seven years' imprisonment and seven years internal exile for advocating the end of state control of religion. I had the privilege of meeting both these people in Leningrad and Moscow when I was gathering material as the Council of Europe's rapporteur on these matters.

I pay tribute to the work of Amnesty International, which is now 25 years old, and to other organisations, such as Christian Solidarity International, of which I am the United Kingdom president. I must say, however, that I continue to be disappointed that we as Members of Parliament receive so little lobbying on behalf of people such as those to whom I have referred from our own free trade unions and from our churches. In my view, they are put to shame by the Jewish communities in Britain, who so frequently and efficiently supply Members with the facts about refusniks. I was pleased when I heard that their cause was presented to Mr. Gorbachev by members of the recent IPU delegation to the Soviet Union.

As we know, such perseverance pays off. Shcharansky, Solzhenitzyn, Bukovski, Ginsberg, the Siberian Seven, Georgie Vins and more recently Father Calciu from Romania, and others are all living proof of that. They are now enjoying freedom in the West. Worldwide campaigns on their behalf made them an embarrassment to the Kremlin, and so they were released. But so many remain. These include Sakharov, Irina Ratushinskaya, the Russian Catholic poetess whose state of health is giving so much cause for concern, and Valeri Barinov, the rock gospel singer, who are others known to us. We must raise their case at every opportunity, not so much for them to be released to the West, because they do not want to come to it. They wish merely to be able to go home and to see an end to persecution. There are many thousands more whose names we do not know.

We should most certainly consider the withdrawal of any support that we might give by the way of aid to those countries where we learn that their citizens are being persecuted for being Christian or Jewish, for example, as is the position in Nepal at present. My right hon. and learned Friend the Foreign Secretary knows this as a result of my fact-finding visit earlier this year and from his visit later in February. As a policy of human rights that is not enough.

We know from our own experience and that of the 35 countries which enjoy the same freedoms as we do that it is democracy which represents the best guarantee of human rights and the best protection for minorities. Moreover, it remains the best force for peace. In recent times, I doubt whether a democratically elected Argentina would have occupied the Falklands or whether a democratically elected Soviet Union would have invaded Afghanistan. We need no reminding that two world wars were started by dictatorships and won by democracies.

The central theme running through British foreign policy should be the promotion of democracy to those 100 or so remaining countries which are neither democratic nor Communist. They must understand that they must make a choice before a choice is made for them. Unfortunately, that is a battle of ideas which democracy is not winning. More countries have had Communism

[Mr. Atkinson]

foisted upon them since the last war than have opted for democracy. That has partially been because for too long democracy has been on the defensive. We have been too negative in advocating it for others. We have been too apologetic in defending our own colonial past, which has left behind throughout the world parliamentary systems and freedom under the law which we had attempted to introduce in good faith. In so doing, we sowed the seeds of freedom which led to independence. That is a record to be proud of and which we should defend at every opportunity in the United Nations and elsewhere. I wonder whether we do that enough.

I accept that we should not assume that parliamentary systems which work in our countries will always survive being foisted upon others. Our European systems have taken centuries to evolve. In most of black Africa, pluralism has already reverted to tribalism and we have to accept that. What we cannot accept is the end to the independent judiciary and the dismantling of those constitutional restraints on arbitrary power which guarantee human rights for all people. That is the true test of a free society.

The alternative is a regime where there is no justice because the judiciary and legislature are one, usually one party. Regrettably, that appears to be the direction in which Zimbabwe is now moving and that is the situation which already applies to almost one third of the states which make up the Commonwealth. In my view, it ill behoves the Commonwealth to seek to destroy the economy of one of its former members, South Africa, when millions of its own citizens enjoy far fewer rights and freedoms than South Africa's black citizens do.

I want to record my opposition to economic sanctions against South Africa, not just for all the good reasons given to the House yesterday by my right hon. and learned Friend the Foreign Secretary but for one other very good reason. Either we apply sanctions against all the regimes we object to or we do not apply any at all. If we are not prepared to take meaningful action against the Soviet Union for continuing to occupy Afghanistan or for applying far worse apartheid against Christians, Jews and others within its own country, we should forget any further economic sanctions against South Africa.

In my view, we should not underestimate the effect of what is already happening in South Africa — the damaged economy, the pressure for change from business, the effect of the present violence, the political reforms already undertaken, the negotiations going on behind the scenes with black leaders and the whole experience of the Eminent Persons Group.

Even though the Nationalist Government may not admit to being shaken by those factors, I believe that they will be influenced by them and that further reforms will be forthcoming. South Africa needs a period of calm to work things out for itself. The Eminent Persons Group, the Community and the Commonwealth have not been helpful in suggesting how reforms should be implemented —reforms which will guarantee the protection of all 14 groups which make up South African society—bearing in mind that every group in South Africa constitutes a minority.

We in the West should continue to make our good offices available for that process to succeed, with the promise of aid if necessary. President Reagan's National Endowment for Democracy for leadership training, education and the strengthening of democratic institutions could also be applicable here. What we must not do is to contribute further to an economic desert with even higher unemployment in South Africa and in neighbouring states, which will serve only to encourage anarchy and civil war. That wouuld accord exactly with the highest expectations of the Kremlin.

Mr. Deputy Speaker: I thank the hon. Gentleman for his brevity. The first Front Bench spokesman is hoping to catch my eye at 11 o'clock, so further restraint is needed.

10.25 pm

Mr. Jeremy Corbyn (Islington, North): I, too, welcome this debate on foreign affairs, although it is difficult to concentrate on a particular part of the world when other hon. Members understandably wish to cover other issues. I welcome the fact that there is now far greater public interest in foreign affairs debates than there has been for many years. I believe that that interest is occasioned partly by the actions of the Government and the opposition of so many people to those actions.

We had a full debate on the problems of southern Africa yesterday, so I shall not repeat those arguments, save to say that the issue of sanctions against South Africa has activated and united more people in this country in the past few months than, tragically, in the 26 years since Sharpeville and the consignment to prison of Nelson Mandela and others. I hope that we shall soon see the release of those people and a genuine democratic majority Government in South Africa, because until then there will be bloodshed, poverty and hunger in South Africa.

I have here a copy of the United Nations report on the adverse consequences for the enjoyment of human rights of political, economic and other forms of assistance given to the racist and colonial regime in South Africa. The report lists the international companies which have been and still are trading with South Africa and making a great deal of money out of it. There are also 42 pages of British firms, listing their military, economic and financial interests in southern Africa. I believe that that is why the House yesterday rejected the opportunity to impose economic sanctions against South Africa, although I believe that the time will come when this country will become party to an economic embargo against South Africa.

I wish today to deal with issues other than South Africa, because the atmosphere surrounding international affairs has changed a great deal in the past few months. When American planes took off from British bases for their bombing raid on Libya, we received a large number of letters from constituents complaining of the danger to this country following the use of those bases and the attack on defenceless people in Tripoli. I quote one typical example. My constituent, Ms. Jane Rollason, writes:

"I write simply to register my horror at Mrs. Thatcher's action on 15 April in allowing Reagan to launch his attack on Tripoli from British bases. Her arrogance in endangering the lives of British people at home and particularly in Libya is quite incredible, and she has surely made a considerable contribution to the escalation of terrorist activity throughout Europe."

She goes on to applaud the response of my right hon. Friend the Leader of the Opposition and concludes:

"roll on the day when we are no longer led by a Reagan acolyte, should we be fortunate enough to live that long."

That is typical of the view expressed by many people.

There has been much analysis, particularly by my hon. Friend the Member for Linlithgow (Mr. Dalyell), of the motives behind the use of British bases for the attack on Libya. Clearly there was no military need to use British bases, but it was pushed by the United States military high command to prove that those bases could be used and that they could fly F111 aircraft around the coast of Europe to bomb Libya. *Aviation Week*, which my hon. Friend mentioned, analysed this well and pointed out that the attack on Libya was partly a proving ground for the ability of the F111s to fly to Libya without going over the European mainland, to deliver their bomb loads and to return to this country.

We must remember that the motive behind all this and behind so much of British foreign policy has been a furious hatred, promulgated by the Government through the media, of the Soviet Union and of everything that the Soviet Union does. It is also motivated by a slavish following of everything that the United States does. We do not have an independent foreign policy, but a foreign policy that is essentially directed by the interests of the Government and of the military establishment of the United States.

Not so long ago, when this country did not consider itself to be half at war with the Soviet Union, Britain and the Soviet Union considered that they had many mutual interests and many British soldiers died fighting Nazi-ism, as did many more Soviet soldiers. What I complain about is the way in which we are constantly fed a diet of pro-American propaganda from the Government, through the newspapers, and a diet of anti-Soviet propaganda.

The influence of the United States on our foreign policy leads us into the most extraordinary positions. It has led us into NATO and into supporting United States policy in many places. We supported the raid on Libya solely because of our subservience to the United States. We are supporting the United States' attempt to destroy the democratic and independent Government of the people of Nicaragua for exactly the same reason. We have stood by and allowed the people of Chile to be trodden underfoot because we are dominated by the interests of the United States.

Central America is the classic example of poor countries trying to drag themselves out of the cycle of poverty, debt and deprivation by their own communal activities and by the development of a collectivist economy. Because such an economy is seen as a threat to the interests of United States multinationals, the United States has imposed sanctions against Nicaragua and the British Government have followed suit. There are many other examples in other parts of the world where we have dragged ourselves wrongly into the United States foreign policy domain because of our links with the United States.

More recently there have been huge demonstrations throughout western Europe and throughout this country against the siting of cruise and Trident missiles, the effect that such siting has had on national defence policies and the cost being imposed on European defence budgets. We are members of NATO, which controls about 90 per cent. of our armed forces. It has an enormous bearing on our defence expenditure. When hon. Members talk about democracy, they should remember that half the decisions relating to our defence expenditure are made, not in Whitehall, in the British Cabinet or in the House of Commons, but in the NATO Council of Ministers, which in turn takes its advice from the high command and the generals who have consistently argued for a higher and higher level of national defence spending by NATO members. That threat to democracy concerns me greatly.

When NATO was set up in 1948, the commander of the United States air force who arrived in Britain with the advance guard of the American forces to be stationed here said:

> "Never before in history has one first-class power gone into another first-class power's country without any agreement. We were just told to come over and 'We shall be pleased to have you'."

Since that time the growth of American bases in this country and the effect of those bases on our national life has got worse and worse.

There are now 21 United States bases, 150 F111 aircraft and some 50,000 members of American forces here. Hiroshima could happen dozens of times over with the nuclear weaponry that is based in Britain. That is why I seriously call into question a defence strategy which relies solely on the interests of the United States, which drags us into a military alliance which is not defensive but aggressive, which controls the national budgets of so many countries and which imposes nuclear weapons on every country in western Europe, in almost all of which there has been mammoth opposition to the siting of those weapons. That opposition will continue and grow.

Although the Spanish people undeniably voted to remain in the North Atlantic Alliance in the referendum, they were denied a vote on NATO membership. There was never a referendum on that, as the wording of the ballot papers concerned the nebulous subject of the North Atlantic Alliance rather than NATO membership. I believe that the opposition to NATO membership in Spain would be repeated in many other countries if people were given the opportunity to say so. The long-term future of NATO is in serious doubt. I hope that, in the long run, NATO and other military alliances will be broken up, because they destroy national economic interests and pose the danger of a further world war.

I have mentioned the effect of United States influence on us and its control of our armed forces. Our massive defence expenditure is a direct result of NATO membership. Because we are so tied to United States foreign policy, we are also tied to the United States in all other spheres of international relations. Thinking is centred on Europe or on North America. Because of that, we tend to shut our eyes to what is going on in the rest of the world. We tend to shut our eyes to the growing impoverishment of the rest of the world because of the Atlantic-centric, Eurocentric view. We put our hands in our pockets to give overseas aid, while bleeding the poorest countries of the world dry through debt repayments and low commodity prices.

War on Want was founded by hon. Members and others in 1951 because they recognised the poverty that was occurring in immediately post-colonial countries and the danger of a new form of colonialism through lack of development. It recently published a booklet entitled, "Profits out of Poverty?" in which it describes the debt burden as a percentage of exports in several Latin American countries. Latin American countries are not the only ones with such problems. Argentina's debts amount to $50 billion, and debt repayments represent 80 per cent. of exports. That is the highest, but other countries are in serious difficulties.

[Mr. Jeremy Corbyn]

The booklet also describes the involvement of British banks in the debt burden of Latin American and other countries. It mentions the exposure of big British banks to the big debtors. For example, 84 per cent. of the National Westminster bank's notional capital is tied up in debts in Latin America. The same is true for 202 per cent. of the notional capital of Lloyd's bank and for 274 per cent. of the Midland bank's notional capital. All those banks have registered record and growing profits.

Many Third world countries are asked to borrow money against the sale of commodities to finance development. Neither commodity prices nor debt interest payments are in their control, so the loans do not benefit the Third world countries. Rather, by a process of low commodity prices and high interest rates, western European and North American banks have been subsidised by the poorest people in the poorest countries in the world — to the tune of $25 billion a year from Latin America alone.

Many other examples could be quoted. I merely refer to the publication that has recently been issued by the Third World Foundation, which also produces the well-respected "*South*" magazine, which chronicles the debt burden of sub-Saharan Africa. This is an area that has been debated many times in the House, and many people have correctly and generously given large amounts of their own money and resources to try to overcome the terrible problems of poverty in sub-Saharan Africa.

Frankly, the debt burden is enormous. It has grown from $18·6 billion in 1975 to $88·1 billion in 1984. As a proportion to export earnings, it was 120 per cent. in 1975 and it is now 230·9 per cent. That absolutely crippling burden is being placed on the people of sub-Saharan Africa and similarly on Latin America. It is hardly surprising that there is a political process of opposition to this debt burden from those who demand a moratorium on debt repayments and a limit on debt repayments to no more than 10 per cent. of export earnings.

Because the American Administration realised the danger to their own supporters and banks, the Baker plan was put forward as a solution, but that plan does not provide an adequate solution, because it suggests more lending and a different form of economic development in those countries. The poorest people in the poorest countries of the world are fed up with being told how to run their economies and to reduce public expenditure in order to increase export earnings in order to increase their own poverty to assuage the appetites of the big banks. Unless the British and other Governments face this problem, there will be collapses of major banks and serious problems for the Third world countries.

In December 1985 the International Currency Review produced a report on the problems of commodity prices. It includes an index in which 1980 is taken as 100. For all commodities, the figure in 1970 was 34·8 and by 1985 it had reached 70·1. However, in real terms the price of coffee has fallen from 100 in 1980 to 79·6 now, and sugar has fallen from 100 to 14·8 — a massive reduction in earnings for these key crops and commodities that are produced by these countries.

When Band Aid, Sport Aid, Live Aid and similar campaigns are mounted, many people rightly take part and give money, but they are also calling for a change in an economic system and relationship that automatically impoverishes so much of the rest of the world. That is the campaign that we are mounting.

I hope that in future debates on overseas aid and world poverty we shall look seriously at the problems of commodity prices and impoverishment of the Third world. If we do not, and if we become obsessed with the cost of the militaristic fervour imposed on us by the United States, we shall be turning our backs on the poorest people in the poorest countries and on the prospect of economic regeneration for them and ourselves.

In the future, I look forward to a British foreign policy which is genuinely independent, which is not dominated by the military and financial interests of western Europe and the United States, and which is genuinely part of an international effort to eliminate poverty throughout the world.

10.43 pm

Mr. Bowen Wells (Hertford and Stortford): I wish to cover three topics, but I shall cut my remarks as much as possible in view of the time. I shall speak first about the position in South Africa; secondly, about the deterioration in Soviet-United States relations and the role of Britain and Europe; and, thirdly, the implications for our aid budget of the debt crisis in Africa.

I hope that the House, if not the press, will forgive me for continuing yesterday's debate, and therefore yesterday's news, on the future of South Africa. As *The Daily Telegraph* accurately observed, I did not vote against the motion proposed by the Opposition which called for "effective economic measures" compared with the Government's motion calling for "effective measures". I am grateful for the opportunity to explain and, perhaps, convince others of, my position.

As I see it, we believe that the internal policies of another sovereign independent state offend against our belief in natural justice, and deprive the majority of its citizens of the normal human rights of freedom, justice before the law, to be consulted and make representations on policies which effect their everyday life, to own property, and not to be discriminated against on the grounds of race, colour or creed. The black population of South Africa are denied many other matters against which I rail and which deeply offend the Conservative party and the House.

In the past we would have taken up arms against such a state, as we did at the beginning of the century in the Boer war and later against Nazi Germany in the name of freedom and justice, and as the north of the United States did in different circumstances against the south in the American civil war. In many ways the motivations then and now are similar.

No one is suggesting that we overthrow the South African regime by force or even use a United Nations force to do so, although in the past we would have done so and this House would have agreed to do so. Given that that is so and we are not prepared to use outside force, we must use the tools that Wilberforce used in his crusade to end slavery—the tools of argument, persuasion and patience, reinforced by economic forces, many of which are already at work in South Africa, and the moral condemnation of our nation and churches. There is no other course available to us.

We must take up the task of persuading the South African Government and the electorate who support them

it is important to remember that they are responsive to a limited white electorate — that it is in their interests to change their policy. Let us be clear that we are asking them to share power with the black majority, so we must analyse the political and economic factors which are most likely to affect that white electorate in influencing that white Government.

There is a great deal of evidence to show that there is a growing willingness within the electorate to consider making progress in that direction. The Eminent Persons Group recognised that when it stated that it believed that public opinion in South Africa, which is reasonably unfettered, is ahead of the Government in that respect. The Nationalist Government also have a Right-wing constituency which forbids and bans any progress in that direction. That probably explains why the Government are working behind public opinion.

If that analysis is correct, we must encourage those in government and opposition to combine together to begin the process of freeing Nelson Mandela and opening a dialogue with all sections of the black community. If we were to adopt mandatory economic sanctions which would impoverish and punish the black community still further, we would encourage the forces of revolution and combine the white electorate against making progress towards a political settlement with the black community.

I agree with and support the Government's view, put forward by my right hon. and learned Friend the Foreign Secretary, my hon. Friend the Minister of State and my right hon. Friend the Prime Minister. My only disagreement is that they must be prepared to consider all options, even those of an economic character, if we are to identify the measures which will reinforce the determination of those in government and in opposition and of the wider electorate in South Africa to open negotiations without preconditions, but on the understanding that violence will be discouraged by both sides.

The identification of such measures must be given urgent and detailed consideration and they must be decided on at the next meeting of the Commonwealth Heads of Government in consultation with the United States and the European Economic Community, with special reference to West Germany, Holland, Japan and the United Nations. Although we must maintain and enforce diplomatic pressure where possible, experience has shown that such pressure has made only limited and too-slow progress. I believe that the most effective form of pressure — as the right hon. Lady the Member for Clydesdale (Dame J. Hart) and her co-authors of the report accepted by the Economic and Social Council of the United Nations in April said — can be exercised by the South African private sector and by those who have invested their money in South Africa.

The lack of confidence in South Africa has already resulted in a dramatic fall in the rand and there is a disinvestment programme. Such action affects the value of property owned by white South Africans and results in a loss of income enjoyed by white people who have a vote and the ability to influence Government policy. We must draw the private sector into Government discussions, led in this country by Sir Leslie Smith, a former chairman of the British Oxygen Company, with the American, German, French and Italian private sectors, to hammer out policies which will have the most effective influence on the South African Government and encourage them to change course.

I hope that the Government will leave no stone unturned, including measures of an economic nature, in their determination to find measures which will encourage and enable, politically, the South African Government to alter their policies so that the South African economy can grow and prosper and thereby make the massive investment in black African housing, health and education which is badly needed to redress the balance which is the heritage of the years of apartheid and racial government.

The Soviet Union's relations with this country and the United States have been well covered during the debate. We should not forget, in our enthusiasm, to take advantage of what I believe is a window of opportunity offered by the accession of Mr. Gorbachev to the secretaryship of the Communist party in the Union of Soviet Socialist Republics. We must not forget that the Soviet Union has not abandoned its expansionist policies outside the boundaries of the Soviet Union.

Afghanistan has been mentioned. I add to that the commanding position that the Russians have gained in south-east Asia by their support of the Vietnam regime and their domination and use of Cam Ran Bay and Da Nang which are massive installations — built, ironically, by the Americans — and which enable them to threathen, by their expanded navy and air force, the northern parts of Australia and the whole of the south Pacific basin. It is not just a threat. The Russians are operating in the islands of the south Pacific. They are doing the same seduction job that they did in Grenada.

The Russians are responsible for finding the money for Vietnam to occupy Kampuchea and for maintaining the wretched regime in that country. Soviet expansionism can be seen in Ethiopia, Mozambique, Angola, Cuba, Nicaragua and Europe.

If there is to be an easement of tension between the Soviet Union and the West, we must build up trust. The Soviet Union must begin to show that it is willing to enter into such discussions and to reduce tension if we are to make progress on the serious issues of nuclear and conventional disarmament.

Africa's debt problems are residual problems which will affect the world well after the time when the debt problems of the larger countries have been settled or at least a means of living with them has been found. The World Bank estimates that, by 1990, all African countries presently in debt will be much further in debt. One can see no way of solving that problem, except by increasing concessional flows through aid budgets to those countries. The Government will have to deal with the replenishment of the International Development Association and the World Bank in the next two or three months.

I understand your impatience, Mr. Speaker, because I, too, have been sitting listening to this debate for two days. I should like to make this point. It is essential for the Government to recognise the necessity of ensuring that Britain plays its part in expanding the resources — properly focused on economic development — which will enable those countries to begin to pay back what they owe, pay their interest, and produce an economy that will enable them to provide a better standard of living and to avoid starvation.

Without further ceremony, and thanking you, Mr. Speaker, for calling me and the House for listening to me, I shall sit down.

10.55 pm

Mr. John Browne (Winchester): In the few minutes available to me I should like to talk about South Africa. I am completely opposed to apartheid, but, like most people in this country, I do not think that that implies that I am anti-South African.

Obviously, the situation is complex and time is running out. In fact, after my visit there, I would say that the time has already passed for a peaceful, internally generated solution to the problem facing the South Africans. In short, South Africa needs help. Two countries can offer some help – the United States and the United Kingdom, both of which have large economic and political interests in South Africa – for example militarily and with respect to raw materials. In a way, they have a historic as well as a present responsibility to work towards a peaceful solution.

I should like in the closing minutes of the debate humbly to offer one solution that should be considered seriously by the United States and the United Kingdom. President Reagan and my right hon. Friend the Prime Minister should at least get together specifically to talk about the problem facing South Africa. It is not just a South African problem, but a free world one.

President Reagan and my right hon. Friend the Prime Minister should call a meeting between themselves and State President Botha at which they should face him with the reality of the threat that faces South Africa and the West, outline their plans and offer incentives for working and co-operating. They will have to offer the stick, which basically is not sanctions – I wholly disapprove of them, for the reasons outlined in the debate – but disinvestment which would disproportionately hit white employment as opposed to black employment.

This should be the plan. A conference should be called by the South African Government and sponsored by the United States and the United Kingdom as the honest brokers. I believe that they are second to none in the world as brokers for peace. That conference, which should comprise the President of the United States and the British Prime Minister, should be chaired by the South African State President. The 15 or more parties who represent the various interest groups in South Africa should be called to the conference. The South African Government should negotiate away all the vestiges of apartheid, save the vote and the constitution. The parts of apartheid that would be destroyed would then have been negotiated with the moderate blacks and moderate leaders from all parties that turned up at the conference. The ANC might resist going to this first conference because it might not renounce violence.

There should then be a pause during which the dissolution of apartheid should be put into legislative form to convince people to create the necessary credibility. A second conference should then be called to discuss South Africa's future constitution. Even the ANC could do nothing other than attend, and would perhaps be forced to eschew violence to qualify to attend. The second conference, in discussing the constitution, would discuss voting. We are not after giving one man, one vote once, but one man, one vote for ever after. We have to design a constitution that will allay the fears inherent in South Africa, and felt by many more than whites, of being swamped by the majority.

A solution might be along the lines of that found by the Swiss many years ago when they were faced with people of three different nations and four different languages, all fighting. The big fear was that when they combined, the German-speaking majority would run the country. Their solution was based on the canton system – keeping power all the way down the ladder at the lowest, canton, level and not at the national level. The national Government of Switzerland have only two powers. One is their control over the currency, and the second is their power to make war or peace on behalf of the country.

In South Africa, there are already in place about 360 magistrates districts, each about the size of the smaller Swiss cantons. A canton solution could work in South Africa if it were well studied, and if people had a wish to make it work. Switzerland is not the same as South Africa, but it has similar problems. All the people in the western world who have interests in South Africa and all the blacks and whites there have as an overriding interest peace, and finding a peaceful solution.

I shall not take any more time from the speech of the Front Bench spokesman for the Opposition, upon which I know that I am encroaching. I hope that my right hon. Friend the Prime Minister and Mr. Reagan will talk over this solution because if it worked, it would bring something valuable to South Africa – a peace that would allay the fears of the minorities and protect them, and would offer one person one vote, and often.

11.2 pm

Mr. George Robertson (Hamilton): I am grateful to the hon. Member for Winchester (Mr. Browne) for curtailing his speech. I know that some hon. Members have had to exercise the self-denying ordinance requested by the Chair, despite the late hour at which the debate is being concluded.

There is no doubt that, across the wide range of subjects that have been discussed in the debate, what dominates world affairs in 1986 is the relationship between the Soviet Union and the United States of America. There have been many changes. In Washington we have had a new unilateralist style of foreign policy, with all the attendant electric shocks to NATO that go along with abandoning SALT 2, the raid on Libya, the deployment of chemical weapons and the gearing up of the strategic defence initiative planning has come in. In the Kremlin, a new leadership is promoting almost every week new initiatives and proposals, ranging from conventional troop cuts to test ban verification, even to the elimination of all nuclear weapons by the end of the century. Even without these new dimensions, the superpower relationship would dominate world events, as it has for the past 30 to 40 years.

The genuine difficulty that faces the non-superpowers in both the West and the East is to know how at a time of almost unique danger, when new breeds of weapons systems could open up vastly more dangerous scenarios, to assist the superpowers to live with each other, to talk to each other and to reach decisions together in this increasingly constricted world.

During the last two years there has been a transformation of our view of world problems. Whatever the ideological divide, which is still very deep, and whatever the potential for escalation and proliferation, which remains staggeringly great, both sides seem to be more willing than they have been for many years to talk

to each other and to compete for the command of world opinion rather than to rattle sabres and command military superiority. For that we must be grateful.

Last year's Reagan-Gorbachev summit was an enormous boost to the hope that agreement might be possible. The underlying relationship that was forged there seems to have prevented the worst of the misunderstandings that have characterised superpower relations in the last 15 years. It was good that this afternoon the Foreign Secretary was able to announce that the much-postponed visit of the Soviet Foreign Minister is to take place at an early date.

For many years the superpower dialogue on arms control has been bogged down in the capitals of Europe and we have grown used to inactivity. There were 13 years of mutual and balanced force reduction talks in Vienna, and there have been endless years of talks at the disarmament conference in Geneva. None of them has produced concrete results. Now there appears to be a flicker of hope, as new suggestions are made and as old objections seem to be of less consequence. Slowly, in all the different forums in which these matters are discussed, there seems to be a spluttering into life of one sort or another. However, there is a proliferation problem. Because so many talks are taking place on so many subjects and on so many overlapping areas, the result is that, in such a complex area, fine words and sentiments from the top people take far too long to be translated into detail and to reach the negotiating table.

My right hon. Friend the Member for Leeds, East (Mr. Healey) and the hon. Members for Leominster (Mr. Temple-Morris) and for Berwick-upon-Tweed (Mr. Beith) told us this afternoon about their visit to the Soviet Union as members of the Inter-Parliamentary Union. They underlined very clearly the fact that at the top of the negotiating ladder there are clear ideas about the direction in which the superpowers wish to go, but we have yet to see concrete results in terms of rhetoric and those fine intentions at the negotiating table. Indeed, the enthusiasm of Mr. Gorbachev for more and more initiatives has had the effect of confusing both the United States of America and his own negotiators. Both of them seem to be incapable of keeping track of his latest initiatives.

The new Soviet obsession with public relations and its desire, perhaps, to out-act the old actor in the White House tends to devalue the merit of some of the suggestions. For example, it was suggested after Chernobyl that there should be yet another summit. It was Mr. Gorbachev's third summit suggestion this year. The fact that agreement on the main summit meeting had not been reached meant that this suggestion looked like a diversionary gimmick. This impression was reinforced by the suggestion that this particular summit meeting should be held in Hiroshima. Glosses such as these detracted from the sensible points about co-operation on civil nuclear power that were made at the same time.

The shocks that were administered to us by the United States' raid on Libya and by its more recent decision to abondon SALT 2 betray a deep division among the allies and disarray in the United States and in the Administration of that country. As my right hon. Friend so ably said, it is not to be percieved as being anti-American to express a view in Britain that is being openly and in increasing volume expressed in the United States.

There is a crisis in the Atlantic Alliance and it is not neutralist or anti-American to note it and to regret it. The crisis arises partly from the distance from the last war, whose ruinous tragedies bound together the NATO countries after it. Our electorates in the West are now, like myself and many other Members of the House, of the majority of our population who were born after the end of the second world war. There is, whether we like it or not, a declining interest in and consciousness of the seeds of that conflict and the adhesive that was invented in the late 1940s to prevent it happening again.

My hon. and learned Friend the Member for Leicester, West (Mr. Janner) made an impassioned speech this evening about the election of Dr. Kurt Waldheim to the presidency of Austria. He made points which deserve answering, not just in the international context where President Waldheim will find himself, and possibly find himself profoundly uncomfortable, but about the British Government providing access to documents which should now be within the public domain but which apparently are being denied to us for reasons that cannot readily be understood. I hope that those Ministers who listened to his speech this evening, a speech of great power, will take on board the points that he made and will come forward with the answers which the House would expect.

I do not necessarily see the election of Dr. Waldheim, in a country which has more than due cause to be grateful for the post-war settlement, as a step into the past or a rejection of world criticism. It is perhaps a reflection of the same trends that we see in the West, of a rejection of the values and standards and memories of the second world war. Although we may regret the decision of the Austrian people, it was a decision taken within a democracy and is therefore one which we in the outside world will have to accept.

There is also a crisis in our Alliance because interests here have changed. The political activist in the West is more interested in world famine than in any possible Soviet invasion; more concerned about Chernobyl than the Krasnoyarsk phased array radar, and far more worked up about famine in Africa, which exists a plane journey away from all the wealth of our countries, than in the size of Russia's tank battalions.

Even in the Federal Republic of Germany a couple of weeks ago a respected opinion poll for a newspaper there showed that there was a greater measured concern in the population over the Chernobyl nuclear accident than there was in 1961 at the building of the Berlin wall.

Opinions, and values are changing, and recently the new American ambassador to Bonn expressed views about the possibility of the Americans going home and the reunification of the continent that would have been heresy had they been expressed only a few years ago.

There is also a crisis in the Alliance because of the behaviour, so often seen as inexplicable, and emotional and reckless, in our western European countries of the major and dominant partner in the Alliance, the United States. Indeed, as has been said by a number of hon. Members in the debate, there is a genuine concern about the way in which the present Administration of the United States conduct their foreign policy, which seems to fail to take into account the sincerely held views of their allies and supporters.

Anti-Americanism is rife in Europe and it is being fuelled by the Reagan administration's often open contempt for the opinion of its all too often—far too often in some cases—loyal allies. That must be a matter of concern for all of us who have had the good fortune to

[Mr. George Robertson]

grow up in a Europe mercifully spared the civil wars of almost every other previous generation. Before it is too late, we in western Europe must find new ingredients for the glue that keeps the Alliance together, to ensure that for the next 40 years it will be as successful in holding together our continent and its peoples as it has been for the last 40 years.

It is clear from the debate that superpower relationships dominate not only their own traditional spheres of influence. The waves of tension spread far beyond the areas of the Warsaw pact and the North Atlantic Treaty Organisation. It is outwith these areas that some of the worst dangers to peace exist for all of us. There is no doubt that the raid by the United States on Libya in April did much to fuel anti-Americanism within the NATO countries. The effect of what was seen by the allies of the United States as a provocative, disproportionate and questionable legal military adventure will be considerable.

My hon. Friend the Member for Linlithgow (Mr. Dalyell) articulated a view and asked again, with his usual skill, the uncomfortable questions for which he is now famous or notorious. I hope that the Government and Government hon. Members listened to him with great care, and that the Government will be able to provide the answers to his questions.

I was in East Berlin the day after that raid and with Mr. Gorbachev I was attending as an observer at the East German Communist party congress. Despite what the Americans did to Libya, few of the normally predictable reactions manifested themselves at that time. Of course, we had the expected rhetoric, but it was not overplayed.

East Berlin is known as a barometer of world tension. It is often said that if the temperature of the world goes up, Berlin reaches boiling point. The interest that day in East Berlin was less in world war 3 than in the 58-car cavalcade that Mr. Gorbachev used to visit the tourist sites of the city. Whatever the private anger at the Americans, and it must have been profound, the Soviet Union did not over-react, and instead of retaliation for an attack on a Soviet ally, Mr. Gorbachev used his East Berlin speech, delivered only two days after the bombing of Tripoli and Benghazi, to make yet another proposal for arms control, this time on conventional troop reductions.

Some hon. Members make the point that instead of superpower relations being permanently confined to nuclear weapons, even though they are of supreme importance to us all, more progress in establishing the trust and understanding that is required for any long-term agreement between the superpowers might be accomplished by looking at other areas of common interest.

The middle east, with its instability and unpredictability and its potential for spilling over on to the world stage, is a headache for both the Soviet Union and the United States. It is the very instability and unpredictability of President Gaddafi that denied him greater Soviet support after the attack on Tripoli. That still prevents the Soviet Union from signing a defence agreement with the Libyans — an agreement for which there is considerable pressure. We should bear in mind that Mr. Gorbachev has scarcely more affection for the schizophrenic colonel than has Washington.

Both the superpowers have influence and interest in the middle east, and their common interest is to see greater stability in the area. Soviet influence in Syria is not decisive, but its military links give the Soviet Union some edge in influencing opinion. The United States does not pull the strings in Israel's Administration, but without the United States Israel would be very lonely in that part of the world. Both of the superpowers have worries and concerns, and both need to control and minimise them. Both know that no settlement in the middle east is possible without them both being involved, and both know that international security is not possible without a settlement in the middle east. It is, therefore, a tailor-made situation for genuine superpower co-operation, not just for the hell of it or as an experiment, but in their own naked self-interest.

My right hon. Friend the Member for Leeds, East mentioned the Gulf war, with all the mind boggling casualty figures that have been cited and the constant escalation. That is another area in which talks are necessary and could produce results. Why not a superpower dialogue on other hot spots in the world, so many of which have already been discussed by hon. Members — I think, for example, of South Africa, Central America, Angola, Kampuchea, or Afghanistan — or even on something that the Foreign Secretary mentioned, terrorism? That is a problem for both East and West, and there is a common interest. Or why not a dialogue on keeping the sea lanes open?

I have referred to areas of considerable danger and damage, which pose a much more potent threat to world peace than any possible invasions across the German plains. They could provide a much more fruitful prospect for building confidence between the two great powers. As the Foreign Affairs Committee said in the very important and thoughtful report published a couple of months ago entitled, "UK-Soviet Relations",

> "Perhaps the most constructive response which can be made by the individual countries of the west (and by the United Kingdom in particular) is to take seriously, and at face value, the Soviet leadership's new readiness to discuss issues of common concern and to seek Western cooperation in the resolution of these issues."

Those hon. Members who have just returned from Moscow, and those who, like me, were there earlier this year, would say that that was a very perceptive viewpoint, which could well be adopted by this Government, especially when the Soviet Foreign Minister comes to London in the near future.

Several other questions were raised by hon. Members, and I shall comment on some of them. I know that the House may have a considerable period of reflection on the issues relating to the EC, but the Foreign Secretary chose to raise the issue of Britain's imminent presidency. Just a small elite regularly attend EC debates. I often feel that we should be either certified or given a medal. But we have tried desperately hard during the past few years to get the Government to recognise the importance to both Britain and Europe of the unemployment afflicting this, and many other countries in the Community.

We have regularly failed to obtain any commitment, or even interest, from the Government, but I am glad to say that with only a couple of weeks to go before Britain takes over the presidency of the Community our arguments appear to have borne fruit. Last week, in The Hague, the Foreign Secretary said:

> "Unemployment is a scourge in all our countries. It is our greatest and most urgent challenge and one that can only be met with common policies and common determination."

At this late stage, it is nice to welcome the conversion of the Foreign Secretary and the Government to that view, and to the belief that that is the priority that should be at the forefront of the EC's deliberations, whoever happens to be in the chair.

It is profoundly depressing that we can expect the prescription for Europe to be the same miserable prescription that has been applied to the British economy. More of the same will become a Euro-Thatcherism that is laid on the table for the European Council. If that is what the new frontierless internal market is all about, it is an undistinguished contribution to solving Europe's undoubted and massive problems.

We must hope that in future there is more that the Government can do to rise to the challenge of a budget crisis in Europe and an uncontrollable agriculture policy with all the potential that exists in the 12 nations that make up the Community.

A number of hon. Members, including the hon. and learned Member for Burton (Mr. Lawrence), in a speech that was otherwise entirely undistinguished, referred to an area of alternative diplomacy which is extremely important, especially in the context of the present preoccupation with South Africa. He congratulated the BBC external services in glowing terms, with which I concur. In the BBC external services we have a valued advert for Britain and the way in which we conduct debates. The external services need to be expanded and not contracted. Nowhere and at no time is this better illustrated than here at the present, where there is so much concern on both sides of the House about South Africa.

I note that the hon. and learned Member for Burton has returned to the Chamber. Perhaps that is because he is so unused to hearing any praise from me of any contribution that he has made to a debate in the Chamber. This is an ideal opportunity for the voice of Britain and for British public opinion to be turned on the Republic of South Africa. The broadcasting stations, for geographical and topographical reasons, beam an inadequate signal into South Africa, and now that that country has been sealed off from all opinions other than those officially stated by its Government, this is the ideal opportunity for us to beam our voice into it. I pay tribute to the BBC external services as the instrument and arm of Britain's diplomacy.

Similarly, I pay tribute to the British Council. I declare an interest, as I am vice-chairman of the council. I believe, however, that the work that is done by the council on behalf of Britain is something that we cannot repay in words alone. That work should be expanded and the council should be given resources to enable it to promote Britain as a whole.

This debate and world events in general have been dominated by East-West relations, and that is not surprising. In this context, however, the world is changing as both East and West adjust to the changing circumstances in which they find themselves. There is a genuine debate in the West, and we are right to cherish our right to be self-critical and to have a free voice in declaring opinions. But society is changing in the East and its populations will not for ever be content to be sold an incredible threat of possible western attack, or even to be dragooned by the rattle of Adolf Hitler's bones. There is a new climate in the East. There are demands for consumer goods. There is a desire on the part of the people to have their voice heard if growth is to be achieved. There is a need for prices and production to reflect demand.

Hungary and China tell us that, when people taste the flavour of being listened to, that taste is not easily removed from their palate. There is nothing soft, neutralist or appeasing in recognising the process of change that is taking place in eastern Europe. We can encourage it through dialogue and co-operation, and in the process loosen the chains of ideology and repression that we rightly condemn; or we can challenge the East militarily, with an increasingly suicidal armoury. In the process we would probably drive it back into the past.

Members of the IPU delegation who visited the Soviet Union and who have spoken in the debate seem to have come home with one clear message — that the new leadership means business. And it was the Prime Minister who told us that we can do business with it. Why do we not rise to the challenge and call its bluff? From our position of strength and freedom in our voluntary alliance, we could make the great step forward to secure freedom for the next generation as well as its survival.

11.29 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Tim Renton): This has been a wide-ranging and thought-provoking debate and I would like to thank hon. Members on both sides of the House for the quality of their speeches. I have no time to comment on them all but I shall try to comment on as many as possible. As the hon. Member for Hamilton (Mr. Robertson) said, many of those who took part in the recent IPU delegation have also spoken in the debate. It has, if anything, been something of a speech fest for them.

The right hon. Member for Leeds, East (Mr. Healey) I should like to join those who have thanked him for the part that he played in the delegation — my hon. Friend the Member for Leominster (Mr. Temple-Morris), my hon. Friend the Member for Canterbury (Mr. Crouch) and the hon. Member for Berwick-upon-Tweed (Mr. Beith) are all members of the IPU delegation who have spoken in the debate. Clearly they had a stimulating, thought-provoking and worthwhile trip.

I was pleased that my hon. Friend the Member for Canterbury spoke about his intervention on the question of human rights while he was in Moscow and that was referred to by the hon. and learned Member for Leicester, West (Mr. Janner), my hon. and learned Friend the Member for Burton (Mr. Lawrence) and my hon. Friend the Member for Bournemouth, East (Mr. Atkinson). I propose to return to the important question of human rights, or their absence, in the Soviet Union.

I have thought before that the IPU reaches the parts that other envoys do not reach. That will be particularly true in the days and months ahead since I understand that the IPU is to hold its next annual conference in Buenos Aires. Where more appropriate than a foreign affairs debate to congratulate an English team on beating Paraguay in Mexico and what with the exciting football match next Sunday there will be plenty of opportunities for bilateral contact between us and Argentina in the near future.

Mr. Foulkes: We also shall support England on Sunday.

Mr. Renton: That is a very good tribute from the Scots. I am sorry that Scotland has not also moved on to the next stage of the world cup.

[Mr. Renton]

I should like to deal with a few free-standing matters raised during the debate. I shall deal first with Namibia. I listened carefully to the comments of my hon. Friend the Member for Streatham (Mr. Shelton). The fact is that we, together with out contact group partners, the United States, Canada, France and Germany, consider that Security Council Resolution 435, which provides for free and fair elections for the people of Namibia, is still the best available basis for the independence of Namibia. It is the only internationally recognised plan for bringing about independence and it has been agreed by the South African Government. We believe that the best hope for progress is to press for implementation of that plan.

The hon. and learned Member for Leicester, West and here I agree with the hon. Member for Hamilton in eloquent words raised the question of President Waldheim. As the hon. and learned Gentleman has said, he has written to my right hon. Friends the Prime Minister and the Lord Privy Seal on this matter. I understand that he has raised a number of questions with the Ministry of Defence. He has apologised for the fact that he was not able to stay for the replies to the debate, but he said that he would read the record. Therefore, through the record I have to say that the Ministry of Defence's search of its records, which he requested, is still continuing. A matter as serious as that which he has raised, inevitably takes a long time to investigate and requires careful scrutiny. Therefore, I cannot comment further, other then to say that the Ministry's search of its records continues, and no doubt it will be in touch with the hon. and learned Gentleman as soon as the search is finished.

My hon. Friend the Member for Cambridgeshire, South-West (Sir A. Grant), who also apologised for his absence from the end of the debate, mentioned the Western European Union and the potential contribution that it could make to the development of a common European defence policy. As hon. Members on both sides of the House acknowledge, Europe must pull its weight in East-West affairs generally and in the Western defence effort in particular. The WEU helps in that process. The Government took a leading part in the reactivation of the WEU, and we regard it as a significant forum for European political contributions to security. We have endeavoured consistently to ensure that Foreign and Defence Ministers attend WEU meetings and Assembly sessions.

The right hon. Member for Leeds, East mentioned the middle east. Anyone who is involved in the problems of the middle east at times reaches a sense of despair – of wondering whether a solution to the conflicts in the area will ever be achieved. But all of us would agree that the interested countries simply cannot walk away from the problems of the middle east. We must try to address the underlying problems, for stagnation in the middle east breeds despair, and that in turn encourages terrorism.

The balanced British approach to the Arab-Israel problem is unchanged. The 1980 Venice declaration remains the basis of our policy – the right of Palestinians to self-determination and of Israelis to security. The United Kingdom and the other EC countries are ready to help, but they cannot be a substitute for a regional initiative. I am glad that the Prime Minister's recent visit to Israel was welcomed by the hon. Member for Berwick-upon-Tweed and by the hon. and learned Member for Leicester, West. That visit demonstrated our ability to speak frankly to Palestinians and Israelis without causing offence, but it would be wrong –

Mr. Ernie Ross (Dundee, West): The Minister said that the Prime Minister's visit did not cause offence. Can he explain why the Palestinian leaders who met the Prime Minister in the consulate in Jerusalem made it clear to her that the only organisation that they recognised as their representatives was the Palestine Liberation Organisation? But she still insists that another group might represent the Palestinians. Which other group does she believe could do that?

Mr. Renton: I shall deal with Palestinian representation, but I must tell the hon. Gentleman that from all the records that I have seen it appears that the leading Palestinians who met the Prime Minister at the consul-general's house in Jerusalem believed it to be a satisfactory meeting and a good exchange of views.

We do not expect an early breakthrough in the Arab-Israel process. There are several reasons for that: first, the breakdown of King Hussein's efforts to co-ordinate his negotiating position with the PLO; secondly, the rotation of Government in Israel; and, thirdly, the United States mid-term elections. We shall do our best to continue, through quiet diplomacy, to encourage clear thinking. Yesterday, King Hussein had useful discussions with my right hon. Friend the Prime Minister.

We recognise that Palestinian representation is a key issue. It is unrealistic for Israelis to hope for peace without talking to authentic Palestinian representatives. One makes peace with one's enemies, not with one's friends. It is equally unrealistic for Palestinians to expect to take part in negotiations unless they renounce violence and accept the Israeli right to a secure existence. Against that background we consider that it is up to the Palestinians to choose their own representatives.

During the Prime Minister's visit she focused attention particularly on the occupied territories. When I visited Gaza in December I was extremely depressed by the economic conditions in that part of the territories. There is no doubt that there is an urgent need for improvements in conditions there, but as a prelude to, not a substitution for, peace negotiations. We believe that the Palestinians should be allowed more freedom to run their own affairs, to engage in political activity and to develop the economy of the territories.

The other tragic conflict in the middle east is that between Iran and Iraq. We often tend to forget it because, rather like the Russian occupation of Afghanistan, it has been going on for so long – nearly six years. There is a tendency to overlook the fact that it is the most bloody armed conflict in the world with, we estimate, 500,000 killed so far. There is still stalemate at the front, particularly around the port of Fao that was occupied by the Iranians some months ago. Large numbers of men are being killed and maimed in continuing fighting. As many as 450,000 young Iranians reach draft age each year, thus giving the Iranians an ample supply of young men on which to continue to draw.

We are very concerned at the continuing suffering and the danger that the conflict poses for other states in the region, notably for the states in the northern part of the Gulf. The international community is now directly involved too. Attacks on neutral shipping in the first half

of 1986 were more than those for the whole of 1985. This conflict has seen the use of chemical weapons by Iraq, which we unreservedly condemn, together with other members of the Security Council. The use of chemical weapons in the conflict underlines the need for a global ban, to which I shall return.

Efforts must continue to seek a negotiated settlement. But the sad fact is that many mediators have in the past attempted to intervene but have not succeeded. Olof Palme, the representative of the United Nations Secretary-General, whom we shall always remember for the part that he tried to play in the peace process, the Gulf Co-operation Council, the Japanese, the Pakistanis, the Algerians, the Australians, to name only some. In my judgment the prospects remain bleak. Only the United Nations Secretary-General remains active. My right hon. and learned Friend discussed the conflict with him last month. He offers the best hope of progress in mediation between the parties and we support his efforts.

Mr. Dalyell: May I have a comment later or by letter on any factual inaccuracies in my speech, in Malcolm Spaven's chapter in the book "Mad Dogs" by Pluto Press, or in the "World in Action" programme on Colonel Gaddafi? If there is anything that the Foreign Office thinks is factually wrong, may we be told?

Mr. Renton: I do not think that it is appropriate for the Foreign Office to comment on factual inaccuracies in the book to which the hon. Gentleman has referred. I regret that I was out of the Chamber for his speech, but even Ministers have occasionally to eat. I shall read his speech. If I see any factual inaccuracies of considerable importance in it I shall write to him about them.

Mr. Cohen *rose*

Mr. Renton: No, I must continue because I have many points to make on other subjects.

Anglo-American relations were raised in several speeches and particularly by the hon. Member for Torfaen (Mr. Abse) who, in what I regarded as a bitter and misguided speech, referred to Britain's thraldom to the United States and to the sick culture of the United States. I am sorry that he is not in his seat. He was supported by the hon. Member for Islington, North (Mr. Corbyn) in a sad little speech. They gave a ridiculous portrayal of the United States. I must ask them which country opens its arms to take in refugees from all over the world? Which country still tries to follow the lines of the poem that are engraved on the Statue of Liberty which run:

> "Give me your tired, your poor, Your huddled masses yearning to breathe free."?

Which is the country that has taken so many more refugees from the Thai-Cambodian camps about which we are so worried? It is, of course, the United States, which has so far taken 365,000 Indo-Chinese refugees. France is next, with about one fifth of that number. Which is the country that gives comfort to Jewish refugees? Which is the country that is always opening its doors to those who are leaving the Soviet Union? Again, it is the United States.

I find it absolutely astonishing that Opposition Members, who get so lyrical in their defence of human rights and who write to me so frequently about Irina Ratsushinskaya, whose book of poetry I was sent in translation today—this sad, ill poetess is forbidden to leave the USSR for the moment—turn so much of their venom on the United States without ever looking at the mote in the eye of the USSR.

Mr. Foulkes: Rubbish.

Mr. Renton: The hon. Gentleman has only to listen to the speeches that have been made today to learn how tragically true what I have said is.

Of course the Government have close contact with the United States Administration on a variety of world issues. I am glad that we do. My right hon. and learned Friend the Foreign Secretary saw Secretary Shultz on 22 May. He had useful talks, and they will be continued regularly at a high level. The United States Government listen to our views.

Mr. George Robertson: When?

Mr. Renton: That does not mean that they do what we say all of the time, but should we give up every opportunity to influence them? I can tell the hon. Gentleman when. The Camp David four points on SDI were agreed between the President and my right hon. Friend the Prime Minister in December 1984. They have gained wide acceptance in the Alliance as fundamental elements in the approach to SDI. It is absurd to say that we follow the United States slavishly. Opposition Members who accuse my right hon. Friend the Prime Minister one moment of being a poodle and the next of being an iron lady, entrust her with a quality of metamorphosis of which even she, with all of her undoubted qualities, is not capable.

The greater part of the debate was taken up with arms control. My hon. Friend the Member for Leominster, in a thoughtful and sensible speech with much of which I agreed, said how important it is that we should work in every way we can to help to maintain the momentum of the talks that have started in Geneva. I entirely agree. We are not party to the Geneva talks between the United States and the Soviets on strategic arms and intermediate forces, but we attach the highest priority to them. We believe, however, that we should never sacrifice our long-term aims for short-term gains. The agreed aim of the talks is to work out effective agreements to prevent the arms race in space and to terminate it on earth, to limit and reduce nuclear arms and to strengthen strategic stability. It is the Americans who have made most of the running to turn those objectives into reality by tabling concrete proposals in Geneva.

It was they who in November proposed a 50 per cent. reduction in nuclear weapons and in February a global elimination of all intermediate nuclear zones. These are radical proposals to achieve deep cuts in nuclear arsenals. If implemented, they would provide a basis for lessening East-West tensions.

But until very recently, these proposals of November and February have been without specific Soviet response. Finally, in the last few days—and my right hon. and learned Friend referred to these proposals—the Russians have come back with a specific counter-proposal strategic weapons to be limited by equal ceilings, 1,600 launchers on each side, nuclear warheads not to exceed 8,000, and separate negotiation on long range intermediate nuclear forces. They have also proposed a commitment to give at least 15 years' notice of withdrawal from the ABM treaty and to restrict work on SDI to laboratory research.

Full details are not yet available to us, and the detail is obviously of fundamental importance. But I agree with

[Mr. Renton]

the right hon. Member for Leeds, East when he described these proposals as important. They will require very careful study by the United States. I very much hope that they mark a shift away from the former negative Soviet approach and that they will bring closer the prospect of a balanced and fair agreement. Our initial reaction would be that there seems to be an element of flexibility and an opportunity for understanding in the proposals that the Soviets have now tabled.

Much has been said about chemical weapons. This Government are wholly committed to the aim of ridding the world of chemical weapons. We have tabled no fewer than six detailed papers for consideration at the conference on disarmament in Geneva. This is an issue on which NATO is wholly united. But we abandoned chemical weapons in the 1950s and the United States has since 1969 imposed a unilateral moratorium on their manufacture. In other words, there have been 17 years of unilateral restraints.

What matching restraint has there been from the Soviet Union? Its response has been relentlessly to build up stocks of chemical weapons — 300,000 tonnes of nerve agents alone. I submit to the right hon. Member for Leeds, East that that is an eloquent example of the failure of unilateralism, even the leap-frogging type of unilateralism to which he referred.

Mr. George Robertson: So the Government wish to do nothing?

Mr. Renton: We do want to do something.

The Soviet Union says that it wants a ban, so why has a ban not been agreed? The answer is simply verification. The only treaty worth having is one in which all sides have confidence. That means ensuring that there are adequate arrangements to prevent cheating.

Both the right hon. Member for Leeds, East and my hon. Friend the Member for Leominster asked for details about progress on verification. Among the crucial issues remaining to be determined are how to check that civil chemicals are not diverted for chemical weapons purposes, how to check on non-production, and, most important of all, how to agree a stringent challenge inspection regime.

I welcomed the opportunity of discussing these matters today with Mr. Issraelyan, the chief Soviet negotiator at the chemical weapons talks in Geneva. I made it plain to him that we looked to the Soviet Union to show new flexibility in the negotiations if we are to believe that they are genuinely serious about a ban — if, in the words of the Prime Minister that have been frequently quoted, they are to show that Mr. Gorbachev is really a man with whom we can now do business.

Iraq's use of chemical weapons in the Gulf has brought home sharply to all nations how accessible and terrible these weapons are. A comprehensive global ban must be agreed quickly to prevent proliferation. This dreadful genie must be put back in its bottle. Meanwhile the United States has decided to restore a deterrent capability if, and only if, negotiations on a global ban do not succeed between now and late 1987. This binary decision is not escalation, as the right hon. Member for Leeds, East suggested, but an opportunity for negotiation of a total ban. The ball is in the Soviet court. It must decide whether negotiations can succeed. NATO has absolutely no wish to see the United States resume production of chemical weapons if the better option, a negotiated ban, can be achieved. We have a negotiating window now of 18 months. A chemical weapons ban is needed by the West, the East and the whole world.

Three events of possible historic significance have already happened in 1986. The first is Chernobyl, to which the hon. Member for Hamilton referred. It could be as important as Nagasaki or Hiroshima in changing perceptions about the future nuclear world. The second is the American strike on Libyan bases. It is now clear that the effect was to administer a sharp shock to Mr. Gaddafi and to serve notice on other countries which might have considered indulging in state inspired terrorism. Since then the Tokyo and Luxembourg meetings have put together packages of non-military measures to deal with international terrorism. We greatly hope that this will have a growing effect. The third event has been the oil surprise. It is devastating for the Soviets, the Libyans and some friendly states, such as Mexico, but it presents an opportunity for Western and world growth as good as a tax cut, and it must give added impetus to the international discussions on world debt. But none of those events is as significant as the talks on arms control and whether there is progress in those talks.

Mr. Healey: I asked the Minister to answer a specific question which was whether the answer given by the Secretary of State for Defence to questions on the Government's attitude to a comprehensive test ban and which contradicted itself in the same sentence represents a change in the Government's position? Or, are the Government prepared to seek a comprehensive test ban only if the verification problem can be solved?

Mr. Renton: As both my right hon. and learned Friend the Foreign Secretary and I have said in answer to questions on a comprehensive test ban treaty, there has been no change in our position.

The issue of arms control talks will certainly affect us, our children and our grandchildren because it reflects the capacity of human beings to inflict on one another virtually infinite harm. It asks the question whether we collectively have the ability to rein in that capacity. There is no doubt that we in the West, while seeing the propaganda, the shallowness and the public relations value of so many Russian proposals, must test to the full whether there is ground in their proposals on which we can build the future hopes of mankind. Today we have had discussions with ambassador Issraelyan, and shortly my right hon. and learned Friend will have important discussions with Foreign Minister, Mr. Shevardnadze.

Yet, it is strange that while the issue of arms control is of such paramount importance, it is the issue on which our political opponents are at their most perverse. The Social Democrats and Liberals — *[Interruption.]* Indeed, where are they? They have given new meaning to the phrase dual track: one David going one way, the other David going the other. I listened to the comments of the hon. Member for Berwick-upon-Tweed on nuclear deterrence, and I have no clearer idea of his policy now than I did previously.

As to the Labour party and the right hon. Member for Leeds, East with his recent lessons in arithmetic, I shall first correct the right hon. Gentleman on the cost of the necessary replacement for Polaris in the 1990s which he said would cost 40 per cent. of the equipment budget. It

will cost not 40 per cent. but an average of 3 per cent. of the total defence budget, and 6 per cent. of the equipment budget.

Mr. Healey *rose*

Mr. Renton: The right hon. Gentleman reminds me of Max Beerbohm's character the happy hypocrite who was, as Max Beerbohm said, rather like Caligula with a dash of Sir John Falstaff. Hypocrisy is a dangerous trait for those who wish to lead political parties, let alone countries.

The message is clear. The Conservative Government, and they alone, will pursue their path of careful negotiation with Moscow as a friend of the United States, and as a member of NATO and the European Community. Whenever it is appropriate, we shall do that independently and in our own right.

It being Twelve o'clock, the motion for the Adjournment of the House lapsed, without Question put, pursuant to order [18 June].

ESTIMATES

Resolved,

That this House agrees with the report [10th June] of the Liaison Committee. *[Mr. Sainsbury.]*

Scottish Universities (Funding)

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Sainsbury.]*

12.1 am

Mr. Ernie Ross (Dundee, West): I welcome the opportunity to speak on behalf of universities in Scotland and students who will not have places in universities as a result of the University Grants Committee's decisions on funding. I take the opportunity to raise, on their behalf, some of the matters causing grave concern. I should like the Parliamentary Under-Secretary of State for Education and Science, in his response, to tell not only hon. Members but those who attend universities and those responsible for their administration what extra information the UGC used or called on. How did it calculate the resource factor when it decided on the funding of universities, especially those in Scotland?

I welcome the stand taken by the principal of Dundee university, Adam Neville, against the funding cuts by the UGC. In the face of a wholesale attack on universities by the Government, the principal of Dundee has at last spoken out against the Government's policies. He is determined that there will be no redundancies in academic and non-academic staff. He is determined to hold on to all kinds of disciplines. He sees Dundee university as part of the city and part of the region. The university needs their support just as they need the university.

In the local press recently, the principal called for a long-term funding strategy to safeguard the future of universities. He reminded the Government that universities are long-term providers of graduates, research and co-operation with industry. He reminded the Government that to achieve that they need long-term support and enough money to operate and develop.

The UGC has recognised only the obvious areas of research excellence in Dundee — pharmacology, mathematics, biological sciences, biochemistry, anatomy and physiology, clinical medicine, psychology, civil engineering, mechanical engineering, law, and philosophy. Even though some of those were rated as outstanding by international standards, no extra funds are to be provided for research. Worse than that, in the UGC's rush, it has ignored many others. There are departments, research groups within departments and individuals with high national and international reputations who have been completely passed over.

Worse still, the UGC has looked only to the past and not to the future. Research assessments were based on work that had its origins five, 10 or even 15 years ago. The UGC has not recognised new developments, many of which are at Dundee. University research is about change, innovation and development. The UGC, with its blinkered vision — forced on it by the Government — failed to see the obvious. It claimed to have carried out a peer review. Many would suggest that it resembled an "end of the pier" review.

Dundee has a fine record of working with industry. That co-operation has gone on for many years. The traditional strengths are in medicine, science and engineering, but the university is now working on new areas — biotechnology, robotics and computer science. Recently, the university entered into an agreement with a major pharmaceutical company. It has set up two companies of its own to carry out clinical research and

[Mr. Ernie Ross]

produce diagnostic kits. At the local level, there is a range of consultancy and advisory work that is done by departments such as chemistry, physics, geology, civil engineering and psychology. There is tremendous potential at national and local level.

Dundee university also produces graduates. They leave with the benefits of a Scottish university education — four years of study in a broad range of subjects. They are not committed to courses that were selected too early in school. They can find out about new subjects and can change direction. They have a better chance of discovering their true potential. Students may specialise or follow combinations of subjects that are best suited to their future careers. In the arts and social science faculty that flexibility has been fine-tuned to achieve the maximum range from available resources. All come out with a far greater range of skills than when they went in.

The courses developed at Dundee produce those graduates that business and industry need. Derek Hornby, chairman of Rank Xerox (UK) Ltd., made that point at a conference on the role of arts and social science graduates in society held in Dundee last year. He said:

"there was a pressing need in industry for specialized graduates such as electronics engineers, but that industry also needs good honours graduates, regardless of their discipline. These generalists who have flexibility, inquiring minds, and skills at communication have an advantage over specialists whose knowledge rapidly becomes obsolete."

The same message came from Bill Hughes, chairman of Grampian Holdings and the CBI Scotland Education and Training Committee. His advice to the universities was "You educate. We'll train." Fortunately, Dundee university has listened to that advice and its graduates' employment prospects are good. The university is high, and always has been, on the league table of graduate employment. It has listened to what business and industry have to say and has got it right. The UGC does not appear to have listened and has got it wrong.

Dundee university has made a point of being part of the region and the city by developing opportunities for continuing education and part-time degrees. The newly formed Centre for Continuing Education runs its extramural courses for more than 4,000 people. They offer a chance for those who have missed out in their education or who want to learn for the pleasure and fulfilment that comes from study. A recent development is the programme of vocational education aimed at local industry. With support from the Manpower Services Commission and the Scottish Development Agency, several schemes are under way, including one for training in languages with a large local company. There are part-time degrees, such as the master of education, which is a valuable conversion course for local teachers. An innovation is the part-time degree run by the faculty of arts and social sciences. In its first year, there were so many applications that people had to be turned away.

People in Dundee care about education, and the university is trying to make education more accessible. The Government believe, or say they do, in the value of retraining, but the UGC does not seem to have yet got the message or to understand. It is not giving enough support to vocational continuing education and severe cuts look inevitable. The Government and the UGC must accept that continuing education in Scotland depends on home-based study. If courses in Dundee are cut, the students cannot go elsewhere.

All these achievements at Dundee have been made despite a cut in funding since 1980 of more than 15 per cent. In 1983, the Prime Minister promised to hold university funding at a steady level in real terms after 1984-85. The university is now being told to cut its expenditure by a further 20 per cent. — so much for the Prime Minister's promises.

What has Dundee university done to deserve this? What has it done wrong? No one is saying. But it is certain that, if action is not taken immediately, all these achievements will be threatened. What is to be lost? What achievement do the Government and the UGC want Dundee to throw away? Is it the initiatives with the local industries? What advantage to Dundee can there be if these are cut? Is it the quality of teaching? This is bound to suffer if there are further losses in academic and non-academic staff.

The Secretary of State recently received a letter from the dean of students at Dundee university that said:

"Secondly, academics in Arts and Social Sciences are most unwilling to see their interests divided, by Government and U.G.C. policy, from those of their colleagues in the Sciences. As a recent delegation from the Standing Conference of Arts and Social Sciences in Universities explained some months ago to your predecessor, Sir Keith Joseph, there are many Arts-based academics who are already working to make broader higher education opportunities available to those who can profit by them . . . The irony of the situation is that efforts to make the curriculum more flexible while at the same time maintaining high standards of excellence, which Sir Keith on that occasion wholeheartedly professed to support, are precisely what the U.G.C.'s present strategies in redistributing resources are bringing to a halt."

How can teaching be improved if there is less money to be spent on books, services and equipment? How will a reduction in the number of students at Dundee benefit industry and business, which are calling out for more of these graduates? Do the UGC and the Government expect Dundee university to throw away its record on graduate employment? Fewer courses on offer will obviously reduce the opportunities for graduates. This will hurt Dundee because over half the Scottish students at the university are local, coming from the area around Dundee, Perth and Angus. Far more Scottish students go to their home university than do students in England. They do this for good reasons. They leave school at an earlier stage, which reduces the burdens on parents supporting their children for a four-year degree. Does the UGC want Dundee to throw away its new innovations in research and damage its solid base?

What about the effects on the local economy? The university is the second largest employer in the region with a budget for expenditure of £26 million. Every £100,000 that is cut from the university results in an estimated loss of £140,000 from the local economy. With the deficit expected to reach about £1·6 million next year, this means a loss to the region of Tayside of about £2·2 million — hardly the little economy that the Prime Minister seems to think it will be. It could be described as a catastrophe.

Most of the money spent by the university goes into the region and helps the people there. Universities are about people, the people who work and study in them and those who live alongside them and share the benefits. The principal of Dundee got it right when he said that Scotland needs universities in smaller cities such as Dundee. Small universities, by their very nature, must be somewhat more

expensive per student than large ones. To cover a discipline one needs a library, computers and expensive equipment, and one cannot have half of each for a small university. He has explained this to the UGC, but it does not seem to have listened, or it has not been allowed to listen.

The trouble with the UGC is that its members are the old-fashioned academics who talk about the role of the universities in the economy, but, in real practical terms, this means the local economy, a point that they do not understand. Many in the university system believe that the further away one is from London, Oxford and Cambridge, the more likely it is that the UGC decides to cut one's budget even further. It would be interesting to hear what the Minister has to say about that.

The Government and the UGC have bungled the job. They have not listened to those who know best — the business men, the industrialists, the students, the universities and the local communities. They do not seem to know about the special needs of Scottish universities within the framework of the Scottish education system. They are part of a system that sees as part of its strength the capacity to teach across a broad reach of subjects. Children in school are not forced to specialise too early, and they get a chance to select their subject during the two introductory years of a four-year degree. The system is more efficient because time is not wasted upon teaching students in wrong courses. It is also a system that can respond immediately to change.

An essential feature of the Scottish system is the four-year degree. It is not just a question of an extra year at university. The whole structure of secondary education is different from that in England. It is geared to the four-year university degree. Students enter universities in Scotland one year earlier than they do in England. Any attempt to change the four-year degree must be seen as an attack on the whole system of education. This is not a special case argument. It is an argument for a completely different system that cannot be funded along the same lines as the English system.

We shall all be worse off in the long run if there are fewer people in the work force with the advanced qualifications that are needed to maintain an efficient economy and a competitive industry. Already the proportion of the British population with a degree is only half the figure for Japan or America. When he spoke last week to university teachers at their rally, my right hon. Friend the Member for Islwyn (Mr. Kinnock) said that the Labour party is committed to adequate and consistent funding of higher education, to a proper career structure for all those who work in higher education, and to access for all those who can profit by it and who want to pursue higher education. If the UGC proposals for Dundee university were to be accepted, it would take us back to the failed, elitist structures of yesterday that demonstrably have failed the majority of our young people.

12.15 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): "Wholly a blessed time when jargon might abate and here and there some genuine speech begin." I quote, of course, Thomas Carlyle, an illustrious countryman of the hon. Member for Dundee, West (Mr. Ross). I am sure that the hon. Gentleman is as devoted to him as I am.

I respect the hon. Gentleman's committment to his constituency and to Scottish concerns that has led him to initiate this debate, but it is rather a shame that he does not seem to have recognised another essential truth propagated by Thomas Carlyle, to the effect that there is a noble conservatism, as well as an ignoble one.

I am very much aware of the position that universities and other institutions of higher education occupy in their local communities. That applies not only in Scotland but to universities in any part of the United Kingdom. This contribution to employment, as well as the contribution to the educational life of the area in question, is one of the major reasons why the funding of universities is of concern to many local communities.

Nevertheless, I cannot accept the main burden of the hon. Gentleman's argument, and in reply I should like to make a series of points. The hon. Gentleman made no acknowledgement whatsoever in his speech of the statement by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) on 20 May. The Government have already made it clear that in order to maintain the policy of selectivity and rationalisation in universities on which the UGC is embarked they are prepared to consider the possibility of extra cash for the universities for the 1987-88 and subsequent financial years, provided that in discussion with the UGC and the Committee of Vice-Chancellors and Principals it is possible to reach agreement on a programme of work that will maintain and develop the policy of selectivity and rationalisation, better management, including in particular better financial management, and a drive to improve the quality of teaching, including the development of provision for the training and appraisal of academic staff. This is a serious proposal. I hope very much that the universities will take it seriously. The Department is already engaged in discussions with the UGC and the Committee of Vice-Chancellors and Principals.

The hon. Gentleman, like so many Opposition Members, seeks to perpetuate a myth about the contraction of higher education. It is very tiresome for grown-up people to have to go over the same ground so often, but I am afraid that we shall have to cover it yet again. Since 1979, Conservative Governments presided over a massive expansion in higher education. In Great Britain as a whole there are 128,000 more full-time and part-time students now than there were in 1979, including nearly 80,000 more full-time students. In Scotland the number of students in full-time higher education has risen from under 69,000 in 1979-80 to around 79,000 in the current academic year, which is an increase of about 15 per cent.

The proportion of young people who enter higher education in Scotland is traditionally higher than for the rest of the United Kingdom. Despite the increase in the size of the 17 and 18-year-old population, the proportion of that population entering higher education has grown over the period from 17 per cent. in 1979 to 19 per cent. in 1984-85, and is projected to continue to rise. So we have achieved an increasing proportion entering higher education out of a much greater total population.

To suggest that there is any systematic prejudice against Scotland — I feared that the hon. Gentleman might suggest it and unfortunately my fears were well founded — in the allocation of grant by the UGC is simply nonsense. The UGC has this year for the first time moved to a much greater openness in its allocation of grant and

[Mr. George Walden]

to a much more systematic and publicly articulated methodology. Provision for teaching in all subjects has been made on the basis of a common allocation per student in each subject for every university. So there is no possibility of prejudice there. Provision for research has been calculated on the basis of four main factors, three quantitative and one qualitative.

Mr. Donald Dewar (Glasgow, Garscadden) *rose*——

Mr. Walden: I want to continue, as I do not have much time.

They are, first, the numbers of academic staff and of research students; secondly, income from the research councils and from medical and other research charities; thirdly, research contract income from industry and from Government Departments; and, fourthly, the UGC's evaluation of the quality of research in each departmental cost centre, having regard to universities' own research statements, and to the views of the research councils and other bodies and individuals. These judgments were reached by the subject sub-committees of the UGC, so that over 120 academics and others were involved.

This obviously represents a much wider cross-section of the academic community than the main committee of the UGC. I would like to stress that powerful representation from Scotland was present on those committees.

Historically, the Scottish universities have been relatively generously funded compared with the rest of the United Kingdom. The move to a fairer distribution of grant based on a common unit of funding per student in each subject has therefore been the main reason for the funding changes in the majority of Scottish universities. Two universities——

Mr. Dewar *rose*——

Mr. Walden: I am sorry. I have only a matter of minutes.

Two universities gained from this, but five lost. Four Scottish universities also lost because of the judgment that was made of the quality of their research, but so did many other universities in different parts of the United Kingdom.

It is important to recognise that the allocations that have been made by the UGC are not set in concrete. I want to stress that strongly. If a university gets more from the research councils or from industry, it will automatically get more from the UGC by the operation of the sophisticated formula that has been put in place. So there is every incentive to universities to build upon their strengths and to try to improve their relative position. Later, I shall mention the particular strengths of Dundee.

I have recently visited two universities in Scotland, Aberdeen and St. Andrew's, and I look forward to visiting as many more as I can. In that and other ways I have become aware of the many links between Scottish universities and industry. The growth of high technology industry is one of the signs of the changing structure of the Scottish economy. As elsewhere in the United Kingdom, some traditional industries such as shipbuilding and steel are declining in importance, largely due to worldwide changes in demand, but there are also exciting developments in, for example, high technology such as electronics and biotechnology, and in the service sector. I was particularly glad to note that the applied mathematics and biochemistry sectors in Dundee university were rated as outstanding nationally. I am surprised that the hon. Gentleman did not show more pride in that.

The Government recognise that some areas are particularly affected by the decline of traditional manufacturing industry, and our regional policy will continue to make an important contribution. Since May 1979 offers of regional selective assistance made in Scotland have totalled £368·7 million, the projects creating or safeguarding nearly 140,000 jobs. In 1984-85 alone, expenditure on regional development grant is estimated to have been £109 million.

The hon. Gentleman will be familiar, from his own knowledge of Dundee, with the scope of Government support. Apart from regional assistance, Dundee's development area status gives it access to European Community loans at favourable rates. Maximum support is available from Government and European Community sources for local initiatives such as the Tayside enterprise zone and the Dundee project. I understand that one of the zone sites is a technology park which provides Dundee with the opportunity to become a major centre for high technology industry. All of this is positive and encouraging.

As I began by saying, the Government are prepared to consider the provision of additional resources for the universities generally, from which the universities in Scotland can expect to benefit, but it is necessary to emphasise the continued need to restrain the growth in public expenditure in the interest of the economy as a whole. If we want universities in Scotland to continue to be as outstanding in international terms as they are, we have to continue to generate the wealth to pay for those universities.

Universities do not pay for themselves but are paid for out of the pockets of the taxpayers in the hon. Gentleman's constituency and the taxpayers in my constituency. We can fund our universities more generously only if we are a wealthier nation. Wealth is created not by the Government, but by individuals and firms throughout the country.

Under our economic policies the rate of inflation has now come down to 2·8 per cent. in the year to May 1986. In that connection I draw the hon. Gentleman's attention to the fact that a decade or so ago the inflation rate for our universities was about 30 per cent. Let us keep some sense of proportion by looking back at the sort of policies that the hon. Gentleman's party pursued. Those policies caused the rate of inflation for university costs to reach the astronomical and rather absurd figure of 30 per cent.

Wage inflation is now running at 7·5 per cent. By contrast, some of our major European competitors, and in particular West Germany, have succeeded in achieving negative inflation and falling wage costs per unit of output. I mention all this because it is important background information in this debate, as it would be in any debate on public expenditure.

The UGC's policies of selectivity and rationalisation are brave and courageous and are to be applauded, but I understand that they may have caused disappointment in some departments. I say some departments because I must not brand universities in any part of Britain by judging them by specific departmemts. The judgment of one's peers can often seem harsh. Some universities may have been trying to do too much on a limited base and it is

important in such cases to build on the strengths that have been identified by the UGC. This is one such area, and I am convinced that in the longer term this whole new exercise of selectivity will be a major gain for the entire university system. In the long-term interests of the health of the system it can only be a plus to be reminded publicly of where one's strengths and weaknesses lie.

As is frequently the case with the Opposition, the hon. Gentleman fails to recognise that there is an essential interconnection between the economy as a whole and higher education. Frankly, I was mildly shocked, or I would have been had I not become so hardened to this even in so short a time, by the hon. Gentleman's reference to the recent labour rally at which higher education was discussed. He knows as well as I do of the rather embarrassing recent exchange between the Opposition spokesman on education and the spokesman on economic affairs. One pulled the rug from under the feet of the other as fast as the other was dishing out Mickey Mouse money to universities.

It was wrong for the hon. Gentleman consistently to ignore in his speech the implications for the economy of the funding of universities, just as it was wrong for him to ignore the important statement made by my right hon. Friend the Member for Leeds, North-East, the former Secretary of State for Education and Science. My right hon. Friend said clearly to the House only a few weeks ago that he was perfectly well aware of the strains that were developing in some universities, and that provided some understanding could be reached about efficiency, selectivity and improvement in teaching in those universities, the Government would give sympathetic consideration to the possibility of finding further funding for the universities in the United Kingdom. That also means in Scotland.

Question put and agreed to.

Adjourned accordingly at half-past Twelve o'clock.

House of Commons

Thursday 19 June 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

SOUTH YORKSHIRE LIGHT RAIL TRANSIT BILL *(By Order)*

BEXLEY LONDON BOROUGH COUNCIL BILL *(By Order)*

SHOREHAM PORT AUTHORITY BILL *(By Order)*

Orders for Second reading read.

To be read a Second time upon Thursday 19 June.

MILFORD HAVEN PORT AUTHORITY BILL *(By Order)*

Order read for resuming debate on Question [18 February], That the Bill be now read a Second time.

Question put and agreed to

Bill read a Second time and committed.

Oral Answers to Questions

NATIONAL FINANCE

Public Expenditure

1. **Mr. Cash** asked the Chancellor of the Exchequer what estimate he has of the scope for increasing value for money in public spending programmes.

The Chief Secretary to the Treasury (Mr. John MacGregor): Improvements worth hundreds of millions of pounds a year have already been made, but there is still substantial scope for achieving more.

Mr. Cash: Does my right hon. Friend agree with the Audit Commission that about £1 billion worth of savings could be obtained in terms of increased value in public services by applying the Audit Commission's criteria? Will he congratulate the Mid-Staffordshire health authority, which, by applying new management techniques, has managed to save this year and for ensuing years more than £100,000 in revenue as a result of its techniques to improve the quality of public services in its area?

Mr. MacGregor: I confirm my hon. Friend's comments about the Audit Commission. It has identified possible savings of more than £1 billion a year since its studies in 1983, but my hon. Friend will know that that is in relation to local authority services. There is still substantial scope for better value for money and improvements in local authority spending through all the techniques that the Commission has suggested and which we are applying in central Government. The same principle applies in the Health Service and my hon. Friend is right to draw attention to the techniques that can be used at district and health authority level and throughout the Health Service. The same applies in central Government as a whole.

Mr. Alan Howarth: Does my right hon. Friend agree that public sector bureaucracies have a sponge-like capacity to absorb taxpayers' money, and that increases in funding are all too rarely matched by equivalent improvements in the quality of services delivered? Will he therefore undertake that if, in the coming weeks and months, any suggestions are made to him that there is a need for real increases in funding in particular Departments, he will ask searching questions to see whether the administrative systems in those Departments are as streamlined as they might be?

Mr. MacGregor: I assure my hon. Friend that I attach great importance to this, which is shown by the fact that in the last public expenditure White Paper there were more than 1,200 output measures and performance indicators. I intend to apply the same priority in the forthcoming public expenditure round. I hope my hon. Friend will recognise the considerable advances that we have already made. For example, in the machinery of government alone, by the rigorous application of various techniques, we are now producing savings of about £750 million a year.

Mr. Penhaligon: Will the Minister tell the House what persuades him not to invest money in the prevention of tax evasion when all the studies suggest that money invested in that way would recoup far more than is presently recouped?

Mr. MacGregor: I am glad to assure the hon. Gentleman that we have increased the resources to deal with tax evasion.

Tax Revenue

2. **Mr. Michael Forsyth** asked the Chancellor of the Exchequer what assessment he has made of the impact of reductions in the tax rates on the buoyancy of tax revenues since 1979.

The Financial Secretary to the Treasury (Mr. Norman Lamont): A precise estimate cannot be made but certainly the reduction in taxes increases motivation and encourages enterprise. Tax cuts will lead to a healthier, more competitive economy, higher incomes and more resources to improve public services.

Mr. Forsyth: Will my right hon. Friend confirm that the proportion of tax revenue that comes from the highest paid has increased as a result of the reduction in high marginal rates of tax? Is this not entirely in line with the American experience, which shows that a cut in taxes increases revenue?

Mr. Lamont: My hon. Friend is right. The proportion of income tax revenue paid by the top 10 per cent. has risen from 34 per cent. in 1978-79 to 37½ per cent. in 1986-87.

Mr. Carter-Jones: In looking at the figures, has the Minister considered the public's attitude to increased public expenditure on health and education in preference to tax cuts? Has he any observations to make on that?

Mr. Lamont: The hon. Gentleman knows that it is the Government's objective to have a good Health Service and a good education service. We also believe that tax cuts are long overdue and are necessary to improve our economic performance.

Inflation

3. **Mr. Andrew MacKay** asked the Chancellor of the Exchequer what he assesses to be the main factors currently influencing the level of inflation.

The Chancellor of the Exchequer (Mr. Nigel Lawson): The economic policy of Her Majesty's Government.

Mr. MacKay: I thank my right hon. Friend for that excellent reply. Does he agree that the people who feel most vulnerable when there is a high inflation are pensioners? Does he further agree that there are certain factors in inflation figures which affect pensioners more than other parts of the community? Can he say whether those factors in commodity prices are going up faster than other items in the inflation figures?

Mr. Lawson: My hon. Friend is right in saying that those who are most affected in the community by high inflation are the elderly, pensioners and others on fixed incomes. That is why the greatest social service that a Government can perform is to bring inflation down and work towards stable prices. As for the slightly different consumption patterns of the elderly and the average member of the population, my hon. Friend may be aware that there is a pensioner price index, which addresses itself to that. In fact, during the period when we have been in office the pensioner price index has risen by less than the retail prices index as a whole.

Mr. Willie W. Hamilton: What on earth has the Government's economic policy got to do with plummeting oil prices and other commodity prices?

Mr. Lawson: I remind the hon. Gentleman that the Government's success in getting inflation down long predated the fall in the oil price.

Mr. Hickmet: Does my right hon. Friend agree that those who say that we can have a little more public expenditure and a little more inflation are in fact advocating a dangerous course? Does he further agree that there is no guarantee that more public expenditure would lead to more employment or, indeed, increased services, and that if it were the job of the Government to employ people we would all be living in eastern Europe, with dreary standards of living and dreary services?

Mr. Lawson: My hon. Friend is making a point that is well understood by all those who have responsibility for the conduct of economic policy, not only in this country, but throughout the Western world. Indeed, in all the European countries, where, sadly, unemployment is too high, if there were a simple answer of bringing down unemployment by increasing public expenditure, that would have been introduced long ago. If the policies of right hon. Members in the Labour party were introduced, and there were an increase in public expenditure of £24 billion, the result would be sharply higher inflation and sharply higher unemployment.

Mr. Hattersley: Is the Chancellor of the Exchequer prepared to test the validity of his claim about the effect of his Government's policies on inflation by publishing in the *Official Report* the calculations made by the Central Statistical Office of the reasons why inflation has fallen over the past year?

Mr. Lawson: The Central Statistical Office merely reports what has occurred. It is not engaged in economic analysis.

Inflation

5. **Mr. Proctor** asked the Chancellor of the Exchequer when he expects the economy to achieve a negative rate of inflation; and if he will make a statement.

Mr. Lawson: The Government's objective is stable prices.

Mr. Proctor: My right hon. Friend will be aware of the negative rate of inflation in West Germany, one of our major international industrial competitors. Will he give a commitment that the rate of inflation in this country will remain in low single figures? Does he agree that only if that inflation rate remains in low single figures for a considerable period will the real benefits of low inflation bear fruit?

Mr. Lawson: My hon. Friend points to the fact that in Germany inflation is currently slightly less than zero. It is a negative figure. I think that that is likely to be a temporary phenomenon. The plain fact is that throughout the world the same sort of economic policies have been pursued. Therefore, it is not that surprising that inflation has come down worldwide. Our inflation has come down even faster than in other countries. It is now under 3 per cent. for the first time in over 18 years. I am confident that it will stay low as long as these policies remain in force.

Mr. J. Enoch Powell: Will the Chancellor of the Exchequer confirm that there is no merit whatsoever in negative inflation, commonly known as deflation?

Mr. Lawson: Yes, indeed. If the right hon. Gentleman had been paying attention, as I am sure he was, to my answer, he would have heard me say that the Government's objective is stable prices, not falling prices.

Mr. Robert B. Jones: Notwithstanding my right hon. Friend's answers to the last two questions, is it not the case that one of the pressures in the pipeline to increase inflation is the excessive level of wage settlements? Will my right hon. Friend take every opportunity to hammer home to the Confederation of British Industry and others that their spinelessness in the face of excessive wage demands will affect their own competitiveness and is likely to cause worse inflation and more unemployment?

Mr. Lawson: It is certainly a major cause of the present high level of unemployment. Inflation is now down to 2·8 per cent. at the most recent count, and if the tax reductions in the Budget are taken into account, the best approximation that we have of the growth in the cost of living over the past year is less than 1 per cent. Yet average earnings, according to officially recorded figures, have gone up by about 7½ per cent. This is inevitably damaging to Britain's competitiveness in world markets, damaging to orders, damaging to the amount of business that can be done by British firms, and therefore damaging to jobs. It is management's responsibility to take a far firmer grip on their costs, especially their pay costs, than they have been doing hitherto.

Mr. Bell: What does the Chancellor of the Exchequer say to newspapers such as *The Economist* which say that the inflation rate will go up between 4 and 5 per cent. next year as a consequence of the oil price reductions working through the economy?

Mr. Lawson: We shall publish a forecast at the normal time and in the normal way, and I think it will be found that the track record of forecasts published by the Treasury is rather better than that of forecasts published outside bodies, including *The Economist*. The plain fact is that inflation is now under 3 per cent. Although at the moment it is flattered to some extent by the mortgage rate element in the index, even if one takes that out inflation is still around 3·1 per cent.

Mr. Higgins: Is my right hon. Friend aware that many members of the public do not understand the wide scope of the retail prices index, as it covers things such as electricity and gas prices, rates and so on? Will he publish a clear explanation to the public showing exactly what the RPI represents and the fact that it is based on real surveys of expenditure?

Mr. Lawson: My right hon. Friend is correct in saying that it is based on those factors. Sometimes there are people who find it difficult to believe that inflation is as low as it is when they consider one particular price which is only a small proportion of total consumer expenditure. The responsibility for the RPI and its publication lies not with me but with my right hon. and noble Friend the Secretary of State for Employment, and I shall draw his attention to what my right hon. Friend has suggested.

Unemployment Costs

7. **Mr. Tony Lloyd** asked the Chancellor of the Exchequer what is the cost to the Exchequer of unemployment in the north-west region.

Mr. MacGregor: A regional breakdown of unemployment and supplementary benefit paid to the unemployed would be available only at disproportionate cost. It is not possible to estimate the tax revenue forgone.

Mr. Lloyd: I thank the Minister for his comprehensive answer, because one of the bones of contention is that this Government, who have no interest in regional affairs, do not even know what the true cost of unemployment in the north-west is. The social costs are massively higher than even the direct economic costs to the Treasury. If the Government are sincere about unemployment, what practical steps are being taken that will lead to a reduction in unemployment, and when will that begin to take place?

Mr. MacGregor: All the Government's economic policies are designed to produce a more competitive economy which helps with the creation of real permanent jobs. The hon. Gentleman will be aware that, at a time of a rising labour force, the success of this is measured by the fact that nearly 1 million net new jobs have been created in the economy as a whole since 1983. He will be interested to know that in that figure there are 82,000 jobs in the north-west. In addition, he will be aware that the north-west has received a substantial and fair proportion of the specific employment measures that have been introduced by the Government and added to in the last Budget. That represents a total expenditure of £3 billion this year, compared with £300 million in 1979 when the Government took office.

Mr. Neil Hamilton: Is my right hon. Friend aware that in my constituency, which is in the north-west, unemployment is at half the national average? One reason for this is that firms are rushing out of Manchester, because of the lunatic policies of the local authorities there, into Cheshire, where the Conservative-controlled local authorities have much more sensible policies, producing lower rate burdens?

Mr. MacGregor: My hon. Friend makes a fair point. All those who urge unnecessary higher spending in local authorities should be aware of the consequences of that for firms which find their costs increased by much higher rates.

Mr. Parry: Is not the real cost in regions such as Merseyside, the north-west and the north-east, the mass unemployment, the human misery, the marriage break-ups, the nervous breakdowns and the number of young people committing suicide because of long-term unemployment? Is this not the real, terrible cost of mass unemployment in our regions?

Mr. MacGregor: That is precisely why we have increased substantially the amount of money spent on employment and training measures during our period of office. The hon. Gentleman must know that if public spending rises to the level advocated by his Front Bench that will create much greater unemployment in firms which are doing well in our economy.

Mr. Churchill: As a Manchester Member, may I say that it is a matter of considerable satisfaction that more than 80,000 new jobs have been created in the north-west since the 1983 general election? If that rate of job creation is projected into the months ahead, at what point does my right hon. Friend foresee it overtaking the rate at which new people come into the labour force, thereby bringing a net reduction in the number of unemployed?

Mr. MacGregor: My hon. Friend has fairly drawn attention to the considerable increase in the labour force in recent years. In fact, there was an increase of more than 560,000 in the last year for which figures are available. That demographic factor is now beginning to change and it will be a helpful factor in dealing with unemployment.

Mr. Eastham: May I draw the Minister's attention to the Employment Select Committee's investigation into long-term unemployment, in which it points out that some people have been unemployed for three years? Is it not time that the Government seriously considered all those facts, with a view to taking positive action to alleviate the unemployment problems of these people?

Mr. MacGregor: The hon. Gentleman will know that the Government gave a detailed response to the first report of the Employment Select Committee, which has led to the Committee revising its proposals considerably in a downward direction. The restart programme, which is now going nationwide, is designed especially to help the long-term unemployed, and we are undertaking many other measures. It is crucial to know at what point extra public expenditure on these measures becomes counter-productive, not only because they do not produce real benefit in terms of extra places, but because they are a cost on existing employers.

Mr. Favell: Is it not becoming increasingly clear that the more a town hall spends, the less there is to encourage new

enterprises into an area? In my constituency of Stockport, which to the uninitiated is probably indistinguishable from Manchester, it takes half as many men to empty a dustbin as it does in Manchester, and unemployment is now less than 10 per cent, which is far less than the regional average and, indeed, is less than the national average.

Mr. MacGregor: My hon. Friend makes a fair point, of which I hope everyone in the north-west will take note.

Mr. Hattersley: Will the Chief Secretary simply give one straight answer to one straight question? How many jobs have been lost, net, in the British economy since the Government were elected seven years ago?

Mr. MacGregor: There was a considerable reduction in jobs in the period 1979 to 1981. It was a good deal less than 1 million — about 700,000. A large part of that was in the period 1979 to 1981, when we were coping not only with a worldwide recession but with the considerable overmanning that took place under the Labour Government. Since 1983 that trend has gone substantially the other way, and there are now nearly 1 million net new jobs.

Public Expenditure

10. **Mr. Winnick** asked the Chancellor of the Exchequer if he has any plans to review the Government's policy on the level of public spending on the Health Service, education and housing; and if he will make a statement.

11. **Mr. Weetch** asked the Chancellor of the Exchequer if he has any plans to review Government policy over the level of public spending on health, education and housing; and if he will make a statement.

Mr. MacGregor: The level of all public spending programmes will be reviewed as usual in this year's public expenditure survey.

Mr. Winnick: Is the Minister aware that all the evidence shows that most people consider that the first priority should be more public spending on health, education and housing? They are right, of course. Do the outrageous remarks on council housing by the Minister for Information Technology represent Government policy, or were they just remarks of a Minister who wants to show himself to be a stupid clown?

Mr. MacGregor: I think that what people want are realistic and prudent public spending programmes, with the right priorities and value for every pound that is spent, and that is what the Government have been delivering. In two of the main areas that were picked out by the hon. Gentleman — education and health — he knows that expenditure per pupil on education has risen substantially in real terms under this Government, whereas it fell by 2 per cent. in real terms under the last Labour Government. Equally, we have devoted particular priority to health, where expenditure in real terms is up by 24 per cent.

Mr. Weetch: Is the Minister aware that the infrastructure in these three sectors is in a very poor state in various parts of the country? May I underline the fact that it is a better policy option to have significant expenditure in these three sectors than to reduce the standard rate of income tax to 25p?

Mr. MacGregor: The hon. Gentleman knows that in housing, for example, where he has particularly in mind the infrastructure, because of the very substantial and welcome switch to the provision of housing in the private sector, and through owner-occupation, we have cut down the amount of money that is involved in new council house building. The renovation programme has been increased substantially, in real terms, under this Government, which was a necessary and sensible priority. The hon. Gentleman will know that there are many people throughout the country who, rightly, strongly believe that the present level of direct taxation on people of average and below average incomes is still too high.

Mr. Ralph Howell: Does my right hon. Friend accept that one of the prime objectives of the Conservative Government in 1979 was to cut both taxation and public expenditure? May I draw his attention to the answer that he gave to me only a few days ago, which proves that public expenditure, in real terms, increased by 11 per cent. in 1984-85, and is forecast to be 8 per cent. above the 1979 level in 1985-86? Is this not proof that the Government have not succeeded in cutting public expenditure? May we have an assurance that they will do so in future?

Mr. MacGregor: I am sure that my hon. Friend will accept that, rather like steering an oil tanker, it takes a considerable time, once one has tried to change direction, for the results to show through. I am sure he will welcome the fact that, as a proportion of our gross national product, public expenditure is now at the 1978-79 level and is planned to come back almost to the levels of the 1960s.

Mr. McCrindle: Taking a slightly different point of view from that of my hon. Friend the Member for Norfolk, North (Mr. Howell), will my right hon. Friend accept that many of us welcome indications that desirable increases in the level of spending on health, housing and education may now be becoming progressively acceptable to the Government? Will he also accept that those who take that view in no way wish the Government to turn their back on tax cuts, but merely seek a desirable balance, in the belief that that is the wish of the majority of the population?

Mr. MacGregor: I believe that a desirable balance is what this Government have been achieving. We have managed to achieve reductions in direct taxation and to obtain higher real spending in the priority areas which we have chosen, which accord with those of my hon. Friend.

Mr. Hardy: Will the Minister try to keep in step with the Prime Minister? She has observed that in recent years Britain has moved toward private affluence and public squalor, illustrated by the litter-strewn conditions of most parts of Britain.

Mr. MacGregor: When the Prime Minister drew attention to the fact that there was too much litter around she was drawing attention to a phenomenon that has been common in Britain for many years. Many people share her view about the desirability of cleaning up areas to which she drew attention.

Mr. Galley: In view of my right hon. Friend's comments about balance, he may be able to accept that there are some sound arguments for very modest and carefully targeted increases in expenditure on hospitals, education and housing improvements. I say modest and carefully targeted. If he is able to accommodate any small increases in this year's public expenditure review, what will he do to ensure value for money and prevent additional

resources going down the plughole of waste and rising pay, and ensure that they are used to provide better patient care, better educational standards and better housing stock?

Mr. MacGregor: In earlier exchanges I outlined my priorities for getting better value for money for every £1 spent. That applies just as much to the Health Service as elsewhere. This year, as a result of value-for-money drives, we expect to devote about £150 million of extra funds to patient care. I can assure my hon. Friend that value for money will continue to be an important part of my attitude towards public expenditure. He also spoke about the danger to public expenditure of excess pay, meaning that that could lead to reductions in service or reductions in capital programmes. That is a message that we shall constantly have to drive home. If too much of the planned public spending total goes away in excess pay, less money is available for other services.

Mr. Terry Davis: Is the Chief Secretary aware that his answers will bring no comfort to all the people who, while they are waiting for operations, see hospital wards being closed, and that they will being no comfort to teachers, parents, students and everyone else anxious about education? They will bring no comfort to all the people who are desperately trying to find somewhere to live, or are living in totally unsuitable accommodation. Will he now admit once and for all that it is possible to spend more money in ways that will not only improve those essential services for the benefit of the community as a whole, but will provide some jobs for some of the people who are unemployed?

Mr. MacGregor: The hon. Gentleman ought to be aware that, because of the priorities we have given to things like this, the waiting lists are down considerably compared to what they were when we came to power. The number of patients being treated is up considerably, by about 19 per cent. Considerable extra effort is going into the Health Service and the same applies to education. The hon. Gentleman drew attention to students. There are now 80,000 more students in higher education than there were seven years ago.

Mr. Dorrell: Will my right hon. Friend confirm that for the large majority of our people provision for health and education comes exclusively from the public sector? We on the Government side want to see health provision and education improved for all the people, and is it not a necessary consequence of that that we want to see efficient public expenditure improved in those areas?

Mr. MacGregor: I should have thought it was clear that the drive that we are making, especially in the Health Service, to get greater efficiency in public expenditure is being taken very much with that in mind.

Mr. Kennedy: When the Minister is reviewing the Government's public expenditure on the Health Service, will he take the opportunity this year to do something about the fraudulent mechanics by which the rate of inflation that is applied internally in the Health Service is not the rate of inflation that the Government use as a means of calculating the real level of their expenditure on the Health Service? The Government use RPI, but everyone knows that the internal Health Service inflation costs are significantly higher than that.

Mr. MacGregor: The hon. Gentleman may not recall the period in the 1970s when public expenditure was getting out of control. One reason for that was that it was always planned in volume terms. Planning in cash terms and using the GDP deflator as an indicator is an important ingredient of proper public expenditure control.

Contingency Reserve

12. **Sir David Price** asked the Chancellor of the Exchequer if, in his review of public expenditure, he will consider the establishment of uncommitted contingency reserves in the major spending Departments which would be available to those Departments to meet unforeseen demands arising during the financial year in question; and if he will make a statement.

The Minister of State, Treasury (Mr. Peter Brooke): The purpose of the Reserve is to meet unforeseen demands arising during the year, for all spending Departments.

Sir David Price: Given my hon. Friend's defence of contingency reserves as a whole, why cannot the large spenders, who cannot be assumed to be more accurate than the Treasury, be allowed a contingency reserve, which is what one does in every large company, down to the smallest standards of budgets?

Mr. Brooke: As it is impossible to foresee on which programmes unforeseen demands on the Reserve will arise in the course of the year, the Reserve has to be central and not split among Departments. Specific departmental reserves would be unnecessary and inefficient.

Mr. Soames: If my hon. Friend were to permit such a contingency reserve at the Ministry of Defence, will he stipulate that not one penny of that money should go to that sink of profligacy, the Procurement Executive, whose incompetence and mismanagement have led to an appalling waste of money on Nimrod and the torpedo programme?

Mr. Brooke: As, on behalf of my right hon. Friend, I have no intention of assigning such a contingency reserve to an individual Department, the question is hypothetical.

Exchange Rate

13. **Mr. Meadowcroft** asked the Chancellor of the Exchequer what proposals he has for producing greater stability in the exchange rate.

Mr. Lawson: Since the Plaza agreement last year there has been a much greater readiness among the major powers to engage in concerted intervention as the need arises.

Mr. Meadowcroft: Is the Chancellor aware that a consistently voiced frustration in British industry concerns both the problems of exporting into Europe, because of the capriciousness of the exchange rates within Europe, and the difficulties in developing a united European ability to compete against the Americans, again because the exchange rate within Europe is subject to fluctuations? When will he fix the point at which it is feasible and beneficial to join the European monetary system?

Mr. Lawson: I agree that fluctuations in the exchange rate, despite the ability to secure forward cover in most cases, can be irksome for British exporters. I am also glad to say that British exporters have been increasing their

share of world markets over the past five years, for the first time in a long time. However, if British exporters took a firmer grip on their pay costs, as I said earlier, their success in export markets would be even greater than it has been.

Mr. Forman: I do not wish to repeat familiar Conservative arguments in favour of joining the exchange rate mechanism of the EMS at an early date, but does my right hon. Friend agree that, in any case, stability in interests rates and exchange rates would be greatly helped if there were further convergence in our national inflation rates and if every effort were bent to that end?

Mr. Lawson: I agree with my hon. Friend, and there is now a much greater convergence of inflation rates, not least because we have succeeded in getting our inflation rate down so dramatically. As for the EMS, even if we were to join it — there are undoubtedly arguments for doing so — that would not affect fluctuations against the dollar, and it is the dollar that has been far and away the most volatile of the major currencies.

Mr. Latham: As the exchange rate has been so stable recently, and as inflation is under 3 per cent., what is preventing a further fall in the general level of interest rates, which would do so much good to help the Government's counter-inflation policy?

Mr. Lawson: I know that my hon. Friend will welcome the fact that, in the three months since the Budget, interest rates have already fallen by 2½ per cent.

Public Expenditure

14. **Mr. Willie W. Hamilton** asked the Chancellor of the Exchequer if he has further plans to reduce public expenditure.

Mr. MacGregor: I refer the hon. Member to the reply I gave earlier to the hon. Member for Walsall, North (Mr. Winnick).

Mr. Hamilton: As the Minister has been at pains in the course of that answer to talk about the great successes of the Health Service financial provision, how does he explain the report in the *Daily Telegraph* today that the Secretary of State for Social Services is putting in for a £1·7 billion increase in the Health Service provision? Is that designed to build on success, or to cover up failure?

Mr. MacGregor: The hon. Member will know that it is a regular feature at this time of year for commentators to speculate and to throw out all sorts of guess figures into the air in the hope that one will eventually come down. I shall not comment on speculation in the press.

Mr. Leigh: What would be the effect on the unemployment trap if failure to curb public spending prevented my right hon. Friend from making significant tax cuts for the lower paid? Does this question not underline the need to achieve real value for money in the public service and not to pretend to the people that merely pouring increasing amounts of taxpayers' money into the bottomless pit of public spending will solve our problems?

Mr. MacGregor: My hon. Friend is right. He is also right to concentrate on value for money. One of the messages that we have to get over to many who comment in the media, and also to the public at large, is that we cannot achieve better services solely by throwing more money at the problems. Better value for money and concentration on greater efficiency can do just as much. That is why in the road programme, for example, we are getting 20 per cent. more roads for every pound spent than in 1979.

Mr. Madden: What does the Chief Secretary say to people like the right hon. Member for Old Bexley and Sidcup (Mr. Heath), who earlier this week told us that his constituents would rather do without tax cuts if the price of tax cuts meant that less money would be spent on the National Health Service? Does the Chief Secretary think that the right hon. Gentleman is misreporting the views of his constituents, or does he think that those constituents are misguided?

Mr. MacGregor: I have already indicated that we have not reduced expenditure on the Health Service — quite the reverse. There has been a substantial increase in expenditure on the Health Service. Under the RAWP formula, introduced by a Labour Government, there is a provision to switch some resources from areas of high resource to areas that have been under-resourced under that formula over the years. That formula is now under review. It is one of the factors that is important. *[Interruption.]*

Mr. Speaker: Order. It is very difficult to hear questions against the background of chat.

Dr. McDonald: Does the Chief Secretary agree with the Leader of the House, the Home Secretary and the Minister for Information Technology that priority should be given to public spending rather than to tax cuts?

Mr. MacGregor: I should have thought that on the Government side of the House we were all agreed that reducing the burden of taxation is an important priority. Clearly none of us would ever contemplate moving to the ridiculous levels of higher public spending that the hon. Lady and her colleagues advocate.

Mr. Kenneth Carlisle: Does my right hon. Friend agree that because of political pressure from the public the reality is that it is impossible to reduce public expenditure and that we can pay for the many programmes that we wish for only by having genuine economic growth?

Mr. MacGregor: It is through genuine economic growth, which we have been achieving since 1981, that we can increase in real terms our public spending programmes in many areas under our existing plans and at the same time keep public expenditure level in real terms and reducing as a proportion of GDP.

Economic Recovery

16. **Mr. Knox** asked the Chancellor of the Exchequer what are the criteria by which he judges signs of economic recovery.

Mr. Lawson: Since the trough of the recession in the first half of 1981 total output has risen by 13 per cent., investment by over 21 per cent. and manufacturing productivity by over 25 per cent.

Mr. Knox: When does my right hon. Friend think that his economic policies will be so successful that unemployment will start to fall?

Mr. Lawson: As my hon. Friend will be aware, the problem of unemployment is intimately connected with

the excessive level of pay increases in relation to productivity. If unit labour costs continue to rise at their present rate, far faster than in the countries of our major overseas competitors, it makes it difficult to get unemployment down, despite the fact that we have succeeded in generating nearly 1 million new jobs since the last general election — a fact to which I would have hoped that my hon. Friend would pay due tribute.

Mr. Pike: Will the Chancellor accept that while he may claim that output and productivity in manufacturing industry has increased since the depth of the trough of the recession, it is still below the figure for 1979? Surely the Government will not be able to claim credit until we are making more manufactured goods than we were in 1979, and until we have considerably reduced the present unacceptable level of unemployment.

Mr. Lawson: The hon. Gentleman is completely wrong. Manufacturing productivity is substantially higher today than it was in 1979. What is more, the rise in manufacturing productivity under the Government has been substantially greater than it was under the Labour Government.

Personal Equity Plans

17. **Mr. Wood** asked the Chancellor of the Exchequer what representations he has received on the proposed personal equity plans.

Mr. Norman Lamont: A large number have welcomed the scheme.

Mr. Wood: Many of us welcome the moves that the Government have made to encourage small private investment. However, there have been comments from some investment funds that they would like to see personal equity plans geared to them as well as to direct investment. What are the Government's views on those representations?

Mr. Lamont: Obviously we shall consider the representations carefully. As I am sure my hon. Friend knows, we have said that for unit and investment trusts some investment will be permitted under the scheme. The precise limit is being looked at.

PRIME MINISTER

Engagements

Q1. **Mr. Boyes** asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. I also attended a memorial meeting for the late Lord Shinwell. In addition to my duties in this House I shall be having further meetings later today.

Mr. Boyes: Has the Prime Minister noted carefully that yesterday the United States House of Representatives supported the imposition of the strictest possible sanctions against the evil and repugnant apartheid regime in South Africa, and that that reflects the worldwide revulsion over what is happening in South Africa? Is it not shameful that the only two leaders sending signals of support to the evil regime in South Africa are President Reagan and herself?

The Prime Minister: The hon. Gentleman is not correct. The European Council of Heads of Government will meet in Europe next week and will decide what further measures to take.

Mr. Jim Spicer: My right hon. Friend knows that her Government have rigorously enforced the mandatory sanctions on the sale of arms to South Africa. Can she assure the House that every other country has done so in exactly the same way and at the same level?

The Prime Minister: My hon. Friend is correct. We have rigorously enforced mandatory sanctions on arms to South Africa. Nevertheless, South Africa does not seem to be short of certain things, which seems to confirm what my hon. Friend has said. That shows the difficulties of a course of mandatory economic sanctions.

Mr. Kinnock: The right hon. Lady says repeatedly that she wants negotiations and the suspension of violence in South Africa, which we would all like. The South African Government's response to her attitude is to deride negotiations, to undertake armed attacks on Botswana, Zimbabwe, Zambia and Angola, and to impose totalitarian controls on the press and public of the Republic of South Africa. Faced with those realities, is not the Prime Minister's vetoing of sanctions not so much caution or concern as supine appeasement of the apartheid regime? P. W. Botha is making use of the right hon. Lady. When will she stop that?

The Prime Minister: The question is whether adding economic sanctions, with the severe unemployment it would bring to South Africa — adding poverty and unemployment to an already difficult situation — the unemployment it would bring here, and the damage it would do to our shipping, would help the position in South Africa. I doubt very much whether it would. I think that it would aggravate it. It would mean that negotiations would not be brought about. I am still concerned that negotiations should be brought about. Like the right hon. Gentleman, I have totally condemned the raids. I believe that they were responsible for stopping the success of the Eminent Persons Group.

Mr. Kinnock: If the right hon. Lady is concerned about employment, here or in South Africa, she had better calculate the effect of what the Eminent Persons Group called the "descent into further violence". Sanctions may cost jobs, but the collapse that will come without effective pressure on the South African Government will cost a great many more jobs both here and in South Africa. Will not the right hon. Lady accept that her present attitude amounts to doing nothing? Will she remind herself that all that is required for the triumph of evil is that the good people do nothing?

The Prime Minister: Many of us think that it is quite possible imposing strong mandatory economic sanctions on South Africa would add to the violence, and not detract from it, and would end all possibility of negotiations between the Government and the black people of South Africa, which is still our objective. The right hon. Gentleman speaks as though this Government had done nothing. I do not think that he will find another industrialised Western country that has done more—an embargo on exports of arms, refusal to co-operate in the military sphere, recall of military attachés, discouraging scientific events, except where those contribute to the

ending of apartheid, cessation of oil exports to South Africa, prohibition of all new collaboration in the nuclear sector, cessation of exports of sensitive equipment to the police, banning all new Government loans, a commitment to take unilateral action on the banning of imports of Krugerrands action that was taken end of Government funding for trade missions and banning the import of all gold coins from South Africa. Would the right hon. Gentleman like to name a Western industrialised country that has done more?

Mr. Kinnock: Mr. Speaker — [HON. MEMBERS: "Answer."] I will answer. There is no other country in the world that ha: a greater and closer relationship or a greater and closer responsibility than this country. A few months ago the Prime Minister was describing all that as a "teeny little bit." Will the right hon. Lady now do the effective thing and ban new investment in South Africa?

The Prime Minister: Tell me a Western industrialised country that has done more. The right hon. Gentleman cannot.

Dr. Hampson: Does my right hon. Friend recall that, when she was Secretary of State for Education and Science, in her White Paper "Education: A Framework for Expansion" she urged the need for more part-time students? Is that not now very much the essence of our industrial future, in that we need more people to update their qualifications and retrain? Is there any need to wait for a loans scheme to give those people an incentive, because currently they pay both their maintenance costs and their fees?

The Prime Minister: Retraining, and therefore perhaps returning to university or to other advanced education colleges for further training, will be an important part of our future. Frequently, training takes place through industry itself or through industry sponsoring the requisite courses. I think that that is one of the best ways.

Q2. **Mr. Haynes** asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Haynes: Do the Prime Minister and her Government represent the people of this nation? [HON. MEMBERS: "No."] I should like the right hon. Lady to answer, bearing in mind that a recent opinion poll found that more than 50 per cent. of the people wanted her to take action against South Africa by way of sanctions. If the answer is no to sanctions, is it because of the financial interests of Conservative Back Benchers in their investments in South Africa? We want to know about that.

The Prime Minister: Yes, the Government do represent the people of this country. If we do not dash into full economic sanctions, as the Opposition would wish, it is because we agree with the reason that the Labour Government gave in the United Nations when they voted against full mandatory economic sanctions. At that time they said:

"because we do not agree that the far-reaching economic measures which the resolution calls for would produce the changes in South Africa which we would all like to see."—[*Official Report*, 16 January 1978; Vol. 942, c. 9.]

We would endorse that sentiment.

Mr. Spencer: Will my right hon. Friend confirm that the inner city initiative in Highfields in my constituency, which is much welcomed by the people who live there, will press ahead notwithstanding the childish hostility of Leicester city council?

The Prime Minister: We believe that the inner cities initiative was widely welcomed. I assure my hon. and learned Friend that we shall press ahead with it in the city he represents.

Dr. Owen: Since Canada, Holland and the Scandinavian countries have all done more than this country against South Africa, and since, if the Prime Minister is not careful, the United States Senate will pass a modified Bill following the lead of the House of Representatives and the Prime Minister will again, as last summer, have to follow in the wake of President Reagan, would it not be better for her to adopt a more conciliatory approach and put forward constructive proposals which she could support and which other countries ought to be forced to support as well?

The Prime Minister: I deliberatly said major "Western industrialised country". No other has done more. I remind the right hon. Gentleman that he, too, is against trade sanctions and has made his position clear in the articles he has written.

Mr. Robert B. Jones: Is my right hon. Friend aware that a typical headmaster and board of governors in my constituency would have discretion over a mere £4,000 out of their total budget? Will she have talks with our right hon. Friend the Secretary of State for Education and Science to see whether a system can be instituted that would more fairly reflect the number of pupils in the school and give responsibility locally to the headmaster and the board of governors?

The Prime Minister: My hon. Friend is correct. That is a possible reform of education expenditure. My right hon. Friend is prepared to consider any reform that will make the money spent on education more effective and produce better results for the pupils.

Q3. **Mr. Ron Brown** asked the Prime Minister if she will list her official engagements for Thursday 18 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Brown: Will the Prime Minister take particular note of the early-day motion tabled by my hon. Friend the Member for East Lothian (Mr. Home Robertson), because he expresses fears about the operation of the Torness power station, remembering that Lothian and the Borders fire board has also criticised safety measures at that station? Will she join the Edinburgh *Evening News* and the people of east Scotland in opposing the commissioning of that station—or have the lessons of Chernobyl been forgotten in this country?

The Prime Minister: As the hon. Gentleman is perfectly well aware, the commissioning of the station will depend upon its passing the very rigorous tests of the nuclear inspectorate, which are very rigorous indeed. As the hon. Gentleman knows, our safety record in the nuclear industry is excellent. It is not long ago since some hon. Members in Scotland were preferring the AGR kind of reactor and extolling its virtues over others.

Mr. Porter: Will my right hon. Friend take note of the absence of the right hon. Gentleman the leader of the Liberal party, who I understand is on a nuclear-freeze bus today——

Mr. Speaker: Order. That is not the Prime Minister's responsibility.

Mr. Porter: Will my right hon. Friend also take note of the presence of the leader of the Social Democratic ——

Mr. Speaker: Get it in order please.

Q4. **Mr. Redmond** asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Redmond: Will the Prime Minister explain to the House her dual standards on South Africa?

The Prime Minister: I have said that we totally and utterly condemn the system of apartheid and that we condemn the raids, but, like the Labour party when it was in power, we do not agree that the far-reaching economic measures that mandatory overall sanctions would call for would produce the changes in South Africa that we would all like to see. In the end, we shall have to come to negotiations between the Government of South Africa and the black people of South Africa. That is our purpose and we shall strain every sinew to that end.

Mr. Churchill: While condemning the inhuman system of apartheid, will my right hon. Friend make it clear that it cannot be any part of our policy to take steps that would encourage a process leading to bloody revolution in South Africa, but, that on the contrary, it is our policy to redouble our efforts to encourage peaceful evolution there?

The Prime Minister: That is precisely our policy, but the extent of economic sanctions being called for in some parts of the House would add poverty and unemployment to violence and that would increase the violence and make matters a great deal worse, not only for the people of South Africa, but for the front-line states and other countries beyond those in Africa.

Q5. **Mr. James Hamilton** asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hamilton: To get back to the home front, will the Prime Minister reflect for a moment on the plight of thousands of young people who have completed their youth training scheme and now find themselves on the scrap heap? Is she aware that most of those people, particularly in my constituency, have now lost faith in her and in her Government? For God's sake, will she reconsider the position and adopt an attitude that will change her policy, get these young people back to work and give them hope for the future?

The Prime Minister: As the hon. Gentleman is aware, many, many young people on the youth training scheme benefit from it, go on to jobs and find it easier to get jobs because they have taken the youth training scheme. He will also be aware that the number of jobs in Scotland has increased by 50,000 since 1983 and that there have been 15,000 new companies since 1979. That is going the right way to get new jobs for young people and for those who have been on the unemployment register for some time.

Mr. Maxwell-Hyslop: Will my right hon. Friend, as First Lord of the Treasury, take personally a close look at the financing of the first year of the GCSE, which involves an investment in schools which is not proportionate to the number of children taking the examination? Thereafter it will be, but in the first year an expenditure is needed for which no provision has yet been made and without which the future prospects of the first year's intake of those taking the GCSE will be sacrificed.

The Prime Minister: It is inevitable that we have different arrangements for the first year, because it takes some years to work up to the time when that examination is taken, which, I think, first comes in 1988. However, I shall look at the particular point my hon. Friend raises.

Mr. Adley: On a point of order, Mr. Speaker. You will have noticed that the first 13 questions on the Order Paper to the Prime Minister today are all from Labour Members. From inquiries that I have made, with great discretion, I understand that the Labour party, and, indeed, the Liberal party, are operating some sort of cabal, which would never be considered by Conservative Members. Will you please ensure that if bunches of questions are put in by one hon. Member on behalf of others, they are given a particularly good shuffle?

Mr. Speaker: Order. As the hon. Gentleman has raised that question, he perhaps should know that only 30 Conservative Members put in questions to the Prime Minister today. The more Members who go in for the ballot the better chance of success.

Mr. Skinner: Further to that point of order, Mr. Speaker. In order that we can be absolutely clear as to why it is that only 30 Tory Members managed to get their questions down today, you should reflect on the fact that it is Royal Ascot week and it is Gold Cup day today.

Business of the House

3.34 pm

Mr. Neil Kinnock (Islwyn): Another Labour question. May I ask the Leader of the House whether he will state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 23 JUNE—Opposition Day (11th Allotted Day) (2nd part). Until seven o'clock there will be a debate entitled "The privatisation of the water authorities". The debate will arise on a motion in the names of the leaders of the Liberal and Social Democratic parties.

Second Reading of the Rate Support Grants Bill.

Motion on the Lord Chancellor's Salary Order

Motions on the Representation of the People Regulations, the Representation of the People (Scotland) Regulations and the Representation of the People (Northern Ireland) Regulations.

TUESDAY 24 JUNE—Estimates Day (2nd Allotted Day). There will be a debate on Estimates relating to special employment measures and the long-term unemployed and the Manpower Services Commission corporate plan 1986-1990. Afterwards there will be a debate on estimates relating to the Department of the Environment and the Property Services Agency. Details of the Estimates concerned will be given in the *Official Report*.

Remaining stages of the Commonwealth Development Corporation Bill *[Lords]* and the Land Registration Bill *[Lords]*

WEDNESDAY 25 JUNE—Opposition Day (17th Allotted Day), until about seven o'clock there will be a debate entitled "The withdrawal of mortgage interest payment protection for the unemployed". Afterwards there will be a debate entitled "Higher and continuing education". Both debates will arise on Opposition motions.

Motion relating to the Firearms (Variation of Fees) Order.

THURSDAY 26 JUNE AND FRIDAY 27 JUNE—Completion of the Committee stage of the European Communities (Amendment) Bill.

MONDAY 30 JUNE—Debate on a motion to approve the statement on the Defence Estimates 1986 (Cmnd. 9673) (1st Day).

[Estimates to be debated on Tuesday 24 June 1986:

1. Class VII, vote 3 (Department of Employment: Administration) so far as it concerns special employment measures and the long-term unemployed, and the Manpower Services Commission's corporate plan, 1986-90; and

2. Class IX (Department of the Environment: Housing); class X (Department of the Environment: Other Environmental Services); class XX, vote 18 ("Civil Accommodation, the Property Services Agency of the Department of the Environment"); and that debate on the Estimates. class VII be concluded not later than three hours after its commencement.]

Mr. Kinnock: I am grateful to the right hon. Gentleman. May I first tell him that it is completely unsatisfactory that the Government put the Second Reading of the Rate Support Grants Bill on after 7 pm on Monday? That Bill is yet another attempt by the Government to interfere with the judicial process. Will the Leader of the House at least see that it is taken as first business on another day of the week?

This week's attempt by the Secretary of State for Defence to slip through the announcement about the delay in privatising the royal ordnance factories was, to say the least, clumsy. Since the Secretary of State yesterday gave a thoroughly unsatisfactory answer to the private notice question from my right hon. Friend the Member for Llanelli (Mr. Davies), will the Leader of the House now ensure that we have a full-scale debate in Government time so that the House can fully probe the policy, or lack of policy, which is doing so much damage to confidence and to the future of the ROFs?

I see that the Government are now in such a complete muddle with their business that progress on the remaining stages of the European Communities (Amendment) Bill is to be taken on Friday as well as on Thursday. That is really not satisfactory for legislation that has such serious constitutional implications for this country's relations with the Community; will the right hon. Gentleman guarantee that Third Reading will be taken separately, so that hon. Members on both sides of the House can fully contest the dangerous provisions of the Bill, which will result in a loss of powers by this Parliament if that legislation is ever enacted?

My colleagues and I decided on a debate on higher education in Opposition time before we knew of the Government's latest foolish decision again to consider introducing student loans. In view of the interest in, and anxiety about, this matter among today's parents and pupils, will the Government give us some of their time so that we can have a more extended debate on that issue?

Finally, last week the Leader of the House conceded a restitution of private Members' time after the truth had come out about the shoddy manoeuvres which led to the loss of business on 6 June. When will that time be reinstated?

Mr. Biffen: I shall respond to the right hon. Gentleman's questions in order. I understand the importance that he and, I believe, the House attach to the Second Reading of the Rate Support Grants Bill. However, provided that the Ten o'clock rule is suspended, we may be able to make progress in that context instead of making it the first order of business elsewhere.

I was in my place yesterday and heard the reply that my right hon. Friend the Secretary of State for Defence gave to the private notice question on the royal ordnance factories. I must say that I thought that it was a very persuasive and convincing reply. Nevertheless, the right hon. Gentleman seems interested in the possibility of a further debate on that matter. I can say only that perhaps that is the sort of issue that could profitably be considered through the usual channels.

I again acknowledge the constitutional importance of the European Communities (Amendment) Bill. I am happy to confirm that Third Reading will be taken separately from the debates planned for Thursday and Friday of next week.

We shall of course look at the possibility of extending the scope and time of the debate on education, but that will have to be considered through the usual channels. However, I hope that the right hon. Gentleman will feel that he has shown great prescience in choosing that topic, which has been given added authority by the announcement of my right hon. Friend the Secretary of State for Education and Science. I thus hope that the right hon.

Gentleman does not feel too discomfited by it. I am sure that, as the debate proceeds, we will welcome that as a prelude to a general election.

Finally, the right hon. Gentleman made a point about the restoration of private Members' time. That is something that we will reasonably consider through the usual channels.

Mr. Nicholas Soames (Crawley): Is my right hon. Friend aware of the grave concern from both sides of the House about certain aspects of the defence procurement programme? While I acknowledge that there will be an important debate on the Defence Estimates, will he try to arrange a special day for the House to debate some of the unearthed scandals that lie in that Department?

Mr. Biffen: I heard my hon. Friend's most formidable contribution during Treasury questions earlier this afternoon. That leads me to believe that he is capable of delivering a well-guided missile in the debate on the Defence Estimates. I advise him to take his chance in that debate and I am sure that his contribution will be regarded with much interest.

Mr. David Alton (Liverpool, Mossley Hill): Why has there not been a statement this afternoon on the publication of the recommendations of the Widdicombe inquiry? In view of the anxiety on both sides of the House, will the Leader of the House arrange for a debate on the future of the telecommunications industry, taking into account the merger bid by GEC and Plessey?

Mr. Biffen: I appreciate the hon. Gentleman's point. The Liberal party and its associates have a debate next week and could have chosen a number of topics. However, I will not take the small-minded point of political argument and suggest that they have been unwise in their choice. We all understand their difficulties and we try to be charitable on a Thursday afternoon.

With regard to the hon. Gentleman's point about the Widdicombe report, he would be the first to understand that a constant balancing act is involved to decide what matters shall be the subject of oral statements in the House, as that has a detrimental consequence for other subjects in which hon. Members wish to participate in the prime time of the week. I note his interest in the matter but I cannot offer any prospect of an oral statement on that subject.

Sir Kenneth Lewis (Stamford and Spalding): Many of my Conservative colleagues noticed with much interest the announcement made an hour or two ago by my right hon. Friend the Prime Minister that she is setting up another eminent persons group from within the Cabinet to ensure that the next Government are a Conservative Government and to look ahead to the general election. Will my right hon. Friend the Leader of the House use his influence to arrange for that small group to send for papers and people —and for those of us who will not be in the House after the next election but whose experience in the past might help to get common sense into these discussions in the search for votes.

Mr. Biffen: As my hon. Friend has said, a most formidable election-winning combination was announced earlier this afternoon. I understand that he would wish the team to have its skills and experience augmented by departing friends. I will certainly look into that matter.

Mr. Dave Nellist (Coventry, South-East): Has the Leader of the House seen the 12 early-day motions that I tabled this week? They are early-day motions 956 to 960 and 966 to 972.

[That this House condemns the arrests of 3,000 youths and workers, including key trade union leaders, in South Africa under the State of Emergency declared on 12th June; believes that this attack, the worst on the unions in 20 years, constitutes an attempt by the Botha Government to set the clock back by halting the development, in particular of the Congress of South African Trade Unions (COSATU) which led a strike of 1½ million workers on May Day and played a key rôle in organising an even bigger stoppage on 16th June in support of the demands of black youth for non-racial education, and to end the ban on the Congress of South African Students, for democratic rights, and to commemorate the 10th anniversary of the Soweto massacre in 1976; recognises that the state of emergency, and the failure of Her Majesty's Goverment to take any concrete action to oppose the Botha Government's repression, shows that British, South African and international big business are at one in their desire to crush the movement of workers and youth in South Africa, so as to protect capitalism and the profits derived from the apartheid cheap-labour system; and supports the working class movement imposing its own sanctions, through industrial action, to suspend trade with South Africa until the state of emergency is lifted and all detainees are released.]

[That this House condemns the state crackdown of the South African state of emergency of 12th June, including the biggest assault on the democratic trade unions in that country for 20 years, as the bankrupt response of the apartheid regime to the call by the COSATU, the youth organisations, and the United Democratic Front, for a one-day national general strike to commemorate the 10th anniversary of the Soweto massacre; and calls for the release of: J. Vilane, Vice-President, Metal and Allied Workers' Union (MAWU), W. Mchunu, Northern Natal Branch Secretary, (MAWU), J. Ntnombela, Congress of South African Trade Unions (COSATU), Regional Chairman, Natal and the President of the Transport and General Workers' Union (TGWU), Tom Mkhwanazi, Organiser, Sweet, Food and Allied Workers' Union (SFAWU), Natal, V. Mehonza, Shop Steward, SFAWU, M. Olifant, COSATU Regional Secretary, Natal, A. Bird, Education Secretary, MAWN, V. Mavu, Industrial Organiser, Chemical Workers' Industrial Union (CWIU), C. Bonner, Transvaal Secretary, CWIU, Sipho Khubeka, Transvaal Secretary, Paper, Wood and Allied Workers' Unions, and all other detainees.]

[That this House condemns the state crackdown of the South African state of emergency on 12th June, including the biggest assault on the democratic trade unions in that country for 20 years, as the bankrupt response of the apartheid regime to the call by the COSAN, the youth organisations, and the United Democratic Front, for a one-day national general strike to commemorate the 10th anniversary of the Soweto massacre; and calls for the release of: Valley, education officer, Commercial Catering and Allied Workers' Union (CCAWUSA), C. Khumalo, COSATU regional secretary, Pretoria, S. Ramakobye, organiser, National Automobile and Allied Workers' Union (NAAWU), V. Mohakwe, organiser, WU Pretoria, L. Mamabola, shop stewards, at Robert Bosh, MAMU, Jo Mogakwe, member MAWU, Pretoria, P. Jaantjigs, Cape

[Mr. Dave Nellist]

Secretary, MAWU, R. Peterson, organiser, SFAWU, Bloemfontein, Q. Maroeletsi, organiser, CCAWUSA, Bloemfontein, and all other detainees.]

[That this House condemns the state crackdown of the South African state of emergency of 12th June including the biggest assault on the democratic trade unions in the country for 20 years, as the bankrupt response of the apartheid regime to the call by Confederation of South African Trade Unions, the youth organisations, and the United Democratic Front, for a one-day national general strike to commemorate the 10th anniversary of the Soweto massacre; and calls for the release of : S. Mknwanazi, shop steward, National Union of Textile Workers (NUTW), Harrismith, P. Mapnalala, shop steward, NUTW, Harrismith, A. Nyati, shop steward, NUTW, Harrismith, R. Mnculwane, organiser, CCAWUSA, Harrismith, F. Mazibuko, shop steward, CCAWUSA, Harrismith, M. Cindi, shop steward CCAWUSA, Harrismith, N. Williams, COSATU, regional vice-chairman, Western Cape, N. Marawu, organiser, General Workers Union, Western Cape, R. Lazarus, organiser, TGWU, Western Cape, A. Mentoor, organiser, Food and Canning Workers Union (FCWU), Western Cape and all other detainees.]

[That this House condemns the state crackdown of the South African state of emergency of June 12th including the biggest assault on the democratic trade unions in that country for 20 years, as the bankrupt response of the apartheid regime to the call by COSAN, the youth organisations, and the United Democratic Front, for a one-day national general strike to commemorate the 10th anniversary of the Soweto massacre; and calls for the release of: N. MacDonald, organiser, FCWU, Western Cape, W. Zweni, shop steward, FCWU, Western Cape, D. Neer, organiser, Motor Assembly and Component Workers' Union, (MACWUSA), Port Elizabeth, Duce, Organiser MACWUSA, Port Elizabeth, Lentor, shop steward, FCWU, For Beaufort, P. Pheko, organiser, MAWU, Benoni, J. Pathe, co-ordinator, National Union of Mineworkers (NUM) and all other detainees.]

[That this House congratulates the millions of black workers who on 16th June participated in the biggest national strike in South Africa's history; condemns the state crackdown on 12th June as the most serious assault on the democratic trade unions for 20 years; and calls for the immediate release of key members of the Council of Unions of South Africa, (membership 150,000) including: Prioshaw Camay, general secretary, James Mdaweni, president, Mahlomola Skosana, assistant general secretary, Dale Tifflin, head of women's unit, Joyce Sebe, regional organiser, and all other detainees.]

[That this House condemns the state of emergency declared on 12th June in South Africa and the arrest of 3,000 youths and workers including key trade union leaders; and calls for the release of D. Hartford, COSATU editor, J. Mthimba, MAWU member, B. Modisapodi, MAWU member, V. Ramakobe, NAAWU shop steward, Firestone, V. Mohakwe, NAAWU organiser, Pretoria, V. Mavusi, CWIU member, Maruma, NUTW member, Z. Galela, NUTW member, A. Nyati, FCWU shop steward, Harrismith, Duze, MACWU organiser, Port Elizabeth, and all other detainees.]

[That this House condemns the widespread arrests of 3,000 youths and workers, including key trade union leaders; and calls for the release of the following members of the Commercial, Catering and Allied Workers Union; O. Malgas, organiser, K. Thibedi, organiser, R. Ncumalo, organiser, E. Mongale, O. Marentsi, B. Boikanyo, S. Patsa, P. Bekkers, Matsoso, the following members of the Motor Assembly and Components Workers' Union: Dennis I. Megiana, the following members of the South African Allied Workers' Union: K. Dau, P. Molepo, J. Masemula, C. Seleke and all other detainees.]

[That this House condemns the attempted beheading of the leadership of the South African democratic trades unions by the detention of 3,000 youths and workers, including key trade union leaders; and calls for the immediate release of L. Ditshigo, General Workers Union, L. Erasmus, Clothing Workers' Union, M. Tsedu, Chairman, Media Workers' Association of South Africa, Pietersburg, D. Dickson, National Education Union, J. Mthombeza, Chairman, COSATU, Empangeni, Jizela, MAWU, B. Peterson, MAWU, Johannesburg, P. Dantjie, MAWU, Pretoria, Makhathini, Sarmcol Striker, MAWU, Howick, Mbeje, Sarmcol striker, MAWU, Howick, and all other detainees.]

[That this House condemns the arrest of 3,000 youths and workers, under the 12th June state of emergency, where the entire national and regional leadership of the Congress of South African Trade Unions is either in the hands of the notorious security police or in hiding from them; and calls for the immediate release of: H. Marawu (TGW organiser, Cape Town); Paul Nkuna (Regional Chairman, National Union of Mineworkers, Transvaal); J. Phatae (NUM organiser, Orange Free State); V. Motsamai (shop steward, South African Chemical Workers' Union), K. Dau (National Union of Textile Workers), A. Naythi (shop steward, National Union of Textile Workers, Harrismith), Elisabeth Erasmus (textile worker) and all other detainees.]

[That this House condemns the arrests, on Sunday 15th June in South Africa, of: Soloman Mauna (MAWU shop steward, Bosch, Pretoria), Abnas Tilane (MAWU shop steward, Bosch, Pretoria), Mike Mabuyakhulu (MAWU, Northern Natal), Blakey Mtshali (MAWU organiser) and Joseph Miya (MAWU shop steward) as part of the attempts of the Botha Government to behead the leadership of the democratic South Africa trades union; and calls for their immediate release, together with all other 3,000 detainees arrested under the state of emergency.]

[That this House condemns the raids by the South African Security police, operating under the 12th June state of emergency, on the morning of 17th June on the headquarters of the Congress of South African Trades Unions in Johannesburg, and its offices in Port Elizabeth, Jermiston, Durban and Pinetown and on the headquarters of the National Union of Mineworkers in Johannesburgh; and calls for the immediate release of all those detained.]

These early-day motions detail the 88 key trade union leaders — so far confirmed from sources within and without South Africa—to be arrested over the weekend through raids on the headquarters of the trade union federations and the NUM on Tuesday morning. What further statements will come from the Government in response to these attacks? Will those statements contain an explanation of why the Prime Minister is prepared to become an international pariah in her support for apartheid and explain that that has nothing to do with the so-called threat to the 120,000 jobs in Britain when she has sacked 2 million in the past two years, but everything to do with the £12,000 million worth of investments from

British companies – many of the directors of which sit on the Conservative Benches – which get their profits from the cheap-labour apartheid system?

Mr. Biffen: I hope that the hon. Gentleman will not be too dismissive of the consequences for employment in this country of future actions in the South African context. In answer to his specific question, he will appreciate that there was a debate on South Africa this week. In those circumstances the best thing that I can do is to refer his points to my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs.

Mr. Michael Latham (Rutland and Melton): Would not another way of dealing with the real concern of my hon. Friend the Member for Crawley (Mr. Soames) about defence spending be not only in the debate next Monday, but if we debated the reports of the Public Accounts Committee and the Treasury minutes in response to them? May I say that those debates are long overdue?

Mr. Biffen: I take the point that my hon. Friend makes. I hope to announce arrangements in the reasonably near future for a debate of the Public Accounts Committee reports.

Mr. Guy Barnett (Greenwich): Will the Leader of the House explain on what authority the Prime Minister, when addressing the House, speaks on behalf of the enslaved people of South Africa? Having been told, as we were by the Minister of State, Foreign and Commonwealth Office, that the Government were in close contact with the African National Congress, would it not be better if the Prime Minister endeavoured to speak on its behalf rather than on behalf of its enemies?

Mr. Biffen: The language chosen by my right hon. Friend the Prime Minister and the policy implications are wholly laudable and understandable. In this difficult position, it is perfectly honourable for hon. Members, in the prosecution of British national policy, to explain that it is also in the interests of those whom they seek to aid in South Africa.

Mr. Jonathan Aitken (Thanet, South): Will my right hon. Friend initiate, through the usual channels, an urgent discussion on hon. Members' interests and how they affect the Select Committee on the Channel Tunnel Bill? I am sure that he will agree that it is vital that that Select Committee should consist of hon. Members who are above all suspicion or criticism of bias.

Is my right hon. Friend aware that an unhappy situation may be about to arise as a result of the proposed inclusion in the membership of the Committee of the hon. Member for West Bromwich, East (Mr. Snape)? I gave the hon. Gentleman notice that I was going to raise this question. I should like to say at the outset that no criticism of the hon. Gentleman arises. A point of principle is at stake. The Leader of the House may not be aware that the hon. Gentleman has properly declared his interests, which are that he is a member of the National Union of Railwaymen, and is sponsored by that union. It has great interests of its own, which are affected by the Bill. Secondly, he is the joint chairman of the all-party Channel tunnel group, which has been funded and provided with travel services by the Eurotunnel consortium. Those facts have been properly registered.

My question is this. Will my right hon. Friend have discussions to see, on a point of principle, whether any hon. Member so closely linked with the Eurotunnel consortium should sit on a Select Committee that will hear petitions or points on amendments sought to the Bill, which are likely to be the opposite of the interests of the Eurotunnel consortium?

Mr. Biffen: I have no wish to play down the scope and omniscience of wisdom of the usual channels, but, frankly, I do not believe that the question that has been raised is appropriate for them. I have no doubt that the hon. Member for West Bromwich, East (Mr. Snape) will act in this matter as he has acted in all parliamentary matters, with total propriety. If there are any questions about the membership of those Committees, they should be directed to the Chair.

Mr. Peter Shore (Bethnal Green and Stepney): On the European Communities (Amendment) Bill, I note what the Leader of the House said in response to my right hon. Friend the Leader of the Opposition, that there would be further time for the Third Reading of the Bill, but in view of the constitutional importance of the measure, which undoubtedly will lead to the further dimunition of the powers of this Parliament and to the enhancement of the powers of the European institutions, does he really think that it is right for that Bill to be pushed through to completion of all its stages other than Third Reading in a single day plus a Friday at the end of next week?

Is the right hon. Gentleman aware that, in the one-day debate earlier this week, only one group of amendments was taken, on a matter which, although of some importance, was by no means the heart of the matter raised by the Bill? Is he further aware that the other amendments, of which there are at least another seven groups, raised matters of the utmost importance to the economic, social and constitutional position of this country and, indeed, of successive Governments in it? Will the Leader of the House think again about the time available for the Committee stage of that most important Bill?

Mr. Biffen: Of course I do not deny, in any sense, the significance of the Bill. Although the size of the Bill is modest, its implications are wide-ranging. It will be a doubtful day when the House accepts that, somehow or other, Friday is a second-class day in our affairs.

Mr. Shore: It is shorter.

Mr. Biffen: It is a day which is recognised as being available for Government business, and I suggest we see what progress we make.

Mr. Peter Snape (West Bromwich, East): May I say, in reply to the point raised by the hon. Member for Thanet, South (Mr. Aitken), of which he was kind enough to notify me before this exchange, that I am co-chairman of the organisation to which he referred. I have no personal knowledge of any funds being paid by any member of the Eurotunnel consortium to the all-party Channel tunnel group. I have never made a secret of the fact that I am a member of the NUR. I have made a number of statements, inside and outside the House, in favour of the Eurotunnel scheme.

I have taken advice from the Private Bill Office on the matter. Surely it is the responsibility of the Committee to study the Bill and to take note of the representations made by petitioners but not to debate the principles of the scheme? The hon. Member for Thanet, South has acted

[Mr. Peter Snape]

properly in this matter, but I find it unpleasant that the campaign which is being waged by the ferry companies should be waged in this personalised way to imply that, because of my oft-expressed views, I am in some way prejudiced against their somewhat partial views.

Mr. Biffen: I have already said that I do not think that this is a matter appropriate for the usual channels, but I have taken note of what the hon. Gentleman has said.

Mr. Michael Hirst (Strathkelvin and Bearsden): Has my right hon. Friend noted that, at the meeting of the Scottish Grand Committee in Edinburgh on 30 June, the Opposition have chosen to debate devolution? Does he find it strange that the Opposition have not found a day out of their time on the Floor of the House to debate the subject? Does my right hon. Friend think that if the Opposition did use a day at Westminster to debate devolution, it would show that the party was split from top to bottom.

Mr. Biffen: It is not for me to offer any fraternal guidance to the Opposition Front Bench about what it chooses to debate and where. I think I speak for everyone on this side of the House when I say that we should love the Labour party to come to the Chamber and announce a reinforced commitment to devolution both for Scotland and Wales.

Mr. Robert Maclennan (Caithness and Sutherland): Is the Leader of the House aware that, on Tuesday, the Minister of State, Department of Transport, announced a most important decision: that the Dornoch firth rail bridge would not be constructed? At the time, the Under-Secretary of State for Scotland, the hon. Member for Edinburgh, South (Mr. Ancram), said that he had nothing to add. Since then, he and his colleagues at the Scottish Office, in a frantic effort at press briefing, have issued contradictory statements on whether or not the Government have sought, or are willing to seek, aid for this project from the European Community.

As the statements are contradictory and have been published in a leading Scottish newspaper, will the Leader of the House invite the Secretary of State for Scotland to come to the House to make plain the Government's view of the project's eligibility for aid from the European Community and state whether or not they are prepared to take a longer-term strategic view of the importance of this project for Scotland?

Mr. Biffen: We all understand that this has been a rather fragile week for social democracy. I believe that the hon. Gentleman is being a little unfair — more than a little; being downright unfair — to my right hon. and hon. Friends in the Scottish Office. As I understand it, British Rail has to take an initiatory position on this deal before it can go to the financing authorities to which the hon. Gentleman referred. I will, of course, refer his points to my right hon. and learned Friend the Secretary of State for Scotland.

Mr. Peter Bruinvels (Leicester, East): When may we have a debate on the duties and responsibilities of civil servants and the need for them to be politically impartial? Is my right hon. Friend aware that a leading civil servant in the Department of Health and Social Security office in Leicester, Tony Church, is a public member of Militant. He is campaigning strongly to get Militant members elected to the Civil and Public Services Association who oppose the views of Alistair Graham. Does my right Friend agree that that is a strange situation? Surely civil servants owe a loyalty to the Crown? How can political office bearers, who do not believe in the Crown or in democracy, be allowed to stand?

Mr. Biffen: My hon. Friend has pursued this point with great skill, not only this afternoon but on previous occasions. I like to think that there can be few civil servants in Leicester who do not realise the full significance of the election before them.

Mr. Frank Cook (Stockton, North): Does the Leader of the House recall that, some weeks ago, the Minister for Environment, Countryside and Local Government, the hon. Member for Bristol, West (Mr. Waldegrave), accused the producers of the BBC "Panorama" programme on ionising regulations called "How Safe is Safe?" of being wrong in every critical respect, and in so doing implicated me in those accusations? Some weeks later the Minister published what he called a briefing to every hon. Member. Since then I have published a point-by-point rebuttal of his briefing which is supported by three globally eminent experts in these affairs, and have sent a copy to the Minister, asking him if he will agree to give it a similar circulation to that of his briefing. Obviously, I would understand if he were unwilling to contribute to his own embarrassment by such action.

Will the Leader of the House undertake to prevail on the Minister to come to the House and make a statement, so that we may question him on these matters and ask him whether he now understands them more readily? Or is the Leader of the House prepared to perpetuate the ministerial obfuscation of these matters?

Mr. Biffen: I am sure that that charge could never be brought against my hon. Friend the Member for Bristol, West (Mr. Waldegrave). The most profitable way to proceed is probably to see what happens from the mutual correspondence that is taking place, and in the light of that, perhaps, to consider any other action.

Dr. Keith Hampson (Leeds, North-West): Although none of the four Opposition Leeds Members have been present this afternoon, does my right hon. Friend accept that there is grave concern in Leeds about the potential decisions on the royal ordnance factory, and that there is a case for having a debate, so that the appropriate Ministers can come to the House to answer the charge that the bureaucracies of both the Ministry of Defence and the Department of Trade and Industry have, in a sense, conspired to change the decision of the House about how the ROFs could be privatised? Does my right hon. Friend agree that it would be a sad day in a city such as Leeds if another tank company could buy a loss-making operation cheaply only to close it? That does no good for jobs in the city or for competitive bidding in the defence industries.

Mr. Biffen: My hon. Friend is a fair parliamentarian, and I know that he would be anxious that I should point out that yesterday, when the private notice question was considered in the House——

Mr. Dennis Skinner (Bolsover): The hon. Member for Leeds, North-West (Dr. Hampson) was missing.

Dr. Hampson: I was present. I had the first question.

Mr. Speaker: Order.

Mr. Biffen: A number of Leeds Members were present. The points of far greater substance raised by my hon. Friend could be appropriate to the debate on the motion to approve the statement on the Defence Estimates — obviously, subject to the judgment of the Chair. I hope that my hon. Friend will have an opportunity to make his points then.

Mr. Nigel Spearing (Newham, South): Will the Leader of the House consider the claim of the hon. Member for Leicester, East (Mr. Bruinvels) about adherence to the Crown? Is the right hon. Gentleman aware that the grave constitutional issues mentioned in relation to the European business for Thursday and Friday raise that point? Is it not the case that the solemn statement on European union at Stuttgart in 1983 is contained in the articles of the Single European Act? Since the European Communities (Amendment) Bill seeks to endorse that treaty, is it not a fact that, if it becomes an Act of Parliament, the British Parliament and the Crown will be subservient to the terms of the said solemn treaty? Will the Leader of the House reflect on that and give greater time for this important Bill?

Mr. Biffen: Nobody doubts the significance of the debates that will take place on Thursday and Friday, and I must point out that those two days provide a reasonable amount of time for the consideration of the issues involved.

Mr. Tony Favell (Stockport): Will the Government find time to debate the report published yesterday by Her Majesty's Chief Inspector of Constabulary, Sir Lawrence Byford, in which he blames much of the violence in today's society on a lack of discipline in the home and at school, together with video porn, violence and sadism and television advertising?

Mr. Biffen: I shall most certainly draw the attention of my right hon. Friend the Home Secretary to that point.

Mr. Greville Janner (Leicester, West): Will the right hon. Gentleman consider the report of the Select Committee on Employment, published this week, which makes far-reaching recommendations for the alleviation of long-term unemployment? Is the right hon. Gentleman aware that this all-party Committee, which has a Conservative majority, made these recommendations after careful consideration and that it is absolutely disgraceful that the Government should turn them down without proper consideration? Is it not time that we had a debate on long-term unemployment, not least because it is growing? In parts of my constituency, unemployment is as high as nearly 40 per cent.

Mr. Biffen: On reflection, the hon. and learned Gentleman may well judge that the Government's reaction was prudent, measured and wholly justified.

Mr. Janner: No, I do not.

Mr. Biffen: I did not expect the hon. and learned Gentleman completely to agree first time round, but I draw his attention to the opportunity that he will have to make a speech about unemployment during the Estimates Day debate on 24 June. If he comes to the House and listens to the Government spokesman, I hope that at the end of his speech he will be convinced.

Mr. Robert Parry (Liverpool, Riverside): Will the Leader of the House ask the Minister with responsibility for sport to send a message to the English football supporters in Mexico asking them to show good behaviour and sportsmanship in the game against Argentina next Sunday? Will he also ask him to send a message of good luck to the English team in its bid to win the World Cup?

Mr. Biffen: I am sure that there will be unanimity on this high point of political, social, economic and cultural judgment that the House is expressing this afternoon, and I am grateful to the hon. Gentleman for raising it.

Mr. Ron Brown (Edinburgh, Leith): As the Government are still committed to the reduction of public expenditure, especially to the reduction of benefits for students, pensioners and the working class in general, will the Leader of the House ensure that the appropriate Minister is brought to the House to explain why Andrew and Sarah cannot pay for their royal wedding, because this issue is being discussed up and down the country?

Mr. Biffen: As I understand it, public expenditure is rising. Since, therefore, the hon. Gentleman is so misconceived about the premise, I think that I am disembarrassed from making any comments upon his conclusion.

Mr. Paddy Ashdown (Yeovil): First, may I correct the incorrect allegation that was made by the hon. Member for Leeds, North-West (Dr. Hampson) a few moments ago, when he said that no other Member of Parliament for Leeds had been in the House this afternoon. My hon. Friend the Member for Leeds, West (Mr. Meadowcroft) was not only here but asked Question 13. We have to assume that the hon. Member for Leeds, North-West was not here then — as, indeed, it has to be noted, he is not here now.

I draw the attention of the Leader of the House to the fact that 150 hon. Members have signed early-day motion 837, which stands in my name.

[That this House notes the justifiable sense of frustration and anger expressed at the National Federation of Sub-Postmasters' Conference in Bournemouth at the Post Office's use of coercion to force through an inequitable pay award for 1985 for sub-postmasters; calls on the Post Office to recognise that sub-postmasters are the only sector of the Post Office who invest their own money, frequently their life's savings, in order to ensure that the Post Office serves its customers effectively; believes that the Post Office's policy has weakened the tenuous economic viability of many sub-post offices and endangered the network; recognises that sub-postmasters have given loyal and exceptional service to the Post Office and the public, which should be recognised and not taken advantage of; and calls on the Post Office to understand the damage it is doing, to mend its ways and to deal with sub-postmasters more on the basis of co-operation and the force of argument, rather than confrontation and the arguments of force in relation to this crucial component of community life.]

Also, hon. Members from all parties have signed early-day motion, 926, which stands in the name of the hon. Member for Exeter (Mr. Hannam).

[That this House, recognising the valuable role played in the community by sub-postmasters, calls on the Post Office to revise its policy towards sub-postmasters and through co-operation and support so improve their pay and conditions that the economic viability of the sub-post office network will be assured for the future.]

[Mr. Paddy Ashdown]

They express concern about the attitude of the Post Office to the sub-post office network and about the damage that is being done to that essential network. Will the Leader of the House take account of this considerable number of hon. Members from all parties who have expressed their concern and, if at all possible, provide time for a debate on the matter before the summer recess?

Mr. Biffen: The hon. Gentleman touches upon a point that arouses very deep feelings, particularly in the rural constituencies. I cannot give the undertaking that he seeks, but I shall certainly consider the matter further.

Channel Tunnel (Select Committee)

Mr. Jonathan Aitken (Thanet, South): On a point of order, Mr. Speaker. May I seek your guidance on a point that has arisen out of the exchanges on business questions? I understood my right hon. Friend the Leader of the House to say that he did not feel it was a matter for him whether or not there should be any discussion about the fact that an hon. Member who had been co-chairman of a committee funded by a business interest should now be a member of a Select Committee that is listening to petitions which relate to that business interest. I think that my point was clear enough from the exchanges.

I was somewhat surprised by the reply of my right hon. Friend, because his office had guided me earlier by saying that this was likely to be a matter for him rather than a matter for you. However, as I received that reply from my right hon. Friend the Leader of the House, may I turn to you, Mr. Speaker, and ask this question? Clearly a genuine point of principle about Members' interests and how they should affect membership of Select Committees arises in this instance. To whom may I turn to obtain some kind of ruling in as neutral and friendly a way as possible?

Mr. Speaker: The Leader of the House occasionally comes to my rescue, and I very nearly came to his rescue earlier. Since the hon. Gentleman has now raised that point with me, I can tell him that the House has entrusted the nomination of this Committee to the Committee of Selection, and I have no power to interfere. I assure the hon. Gentleman that the rule about the declaration of interests applies in Select Committees as it does in the House.

British Gas

Mr. Alan Williams (Swansea, West): On a completely separate point of order, Mr. Speaker. May I ask whether you have received a request from the Secretary of State for Energy about making a statement to the House on British Gas? If not, as I assume is the case, may I draw your attention to the penultimate page of the *Official Report* for 18 June? It contains an 80-line written answer from the Secretary of State for Energy dealing with issues such as the debt and equity position of British Gas and the debt element in its balance sheet, the future of the gas levy when British Gas has been privatised, the price regulatory formula that will be the only defence for the consumer against this private monopoly, and its intentions regarding the holding of shares by British Gas employees. I am sure that you will agree that all these matters merit discussion and questions in the House.

As for the price formula, the Secretary of State said that it was only after careful examination that he had arrived at this particular regulatory formula. As we were unable to debate these matters during proceedings on the Bill, it seems appropriate that, at the very least, we should have an opportunity to question the Secretary of State, now that he has made up his mind. If the Secretary of State has not said that he wishes to make a statement to the House, may I, through you, Mr. Speaker, ask the Leader of the House to ensure that a statement is made as quickly as possible about British Gas?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): We could look at that matter through the usual channels.

BILL PRESENTED

British Council and Commonwealth Institute Superannuation

Secretary Sir Geoffrey Howe, supported by Mr. Timothy Raison, Mr. Peter Brooke, Mrs. Lynda Chalker and Mr. Tim Eggar, presented a Bill to enable schemes to be made under section 1 of the Superannuation Act 1972 in respect of persons who are serving or have previously served in employment with the British Council or the Commonwealth Institute: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. [Bill 186.]

Northern Ireland Assembly (Dissolution)

4.6 pm

The Secretary of State for Northern Ireland (Mr. Tom King): I beg to move,

That the draft Northern Ireland Assembly (Dissolution) Order 1986, which was laid before this House on 12th June, be approved.

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1986, which was laid before this House on 4th June, be approved.

I understand that it will be for the convenience of the House, Mr. Speaker, if we discuss these two orders together.

Mr. Speaker: Will it be for the convenience of the House to discuss these orders together?

Mr. J. Enoch Powell (South Down): On a point of order, Mr. Speaker. The Secretary of State appeared to be moving the approval of both orders. I take it that the position is that the two orders may be debated together but that a separate Question will have to be put in due course in regard to the second order.

Mr. Speaker: That is entirely correct, but is it the wish of the House that these two orders be debated together?

Hon. Members: Aye.

Mr. King: I am grateful to you, Mr. Speaker. I confirm my understanding of the point that the right hon. Member for South Down (Mr. Powell) has made.

The draft Northern Ireland Assembly (Dissolution) Order 1986 relates to the dissolution of the existing Assembly. I emphasise "the existing Assembly". This Assembly would in any case reach the end of its normal life on 20 October. I made a statement to the House last week in which I set out our decision on this matter and our proposal to bring forward this order today. In that statement I sought to make clear the background to our decision.

The Assembly effectively has two central functions. The first is to consider and report on how a devolved Northern Ireland Administration could be formed. The second is a scrutiny role in relation to the Northern Ireland departments. For the reasons that we rehearsed last week, it has not been possible to achieve the first of those functions. In respect of the second — the scrutiny function, which started well and which was proving to be a valuable instrument in the administration of the Province — it is interesting to note that, in the case of the recommendations from the various Scrutiny Committees that we established to monitor the work of Northern Ireland departments, the latest information I have is that 75 per cent. of the Committee recommendations have been accepted in respect of draft orders and comments on them.

Unfortunately, that useful work was suspended by the decision of the Members themselves in December and was then formally abandoned in March. The Assembly was charged with two central functions but for some months it has been discharging neither. As long ago as last December I warned that if the Assembly did not discharge its proper functions it would put its continuance at risk. I have since reinforced that warning and did so twice in May. As there was no change in the situation, I subsequently invited the leaders of the main Unionist

[Mr. King]

parties to come and discuss the position of the present Assembly. As the House knows, they refused to do even that.

Sir John Biggs-Davison (Epping Forest): Is it not the case that all those admirable functions that were performed by Committees of the Northern Ireland Assembly could well be performed by appropriate Committees of this House?

Mr. King: The advantage was that the functions were being performed by people with a more intimate and closer knowledge of circumstances in Northern Ireland. I respect the great knowledge of the Province and the history of the whole of Ireland that my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison) has, but I should be very surprised if he were to maintain, or if anyone were to pretend, that hon. Members of this House who do not represent Northern Ireland constituencies could claim to do the detailed scrutiny work as effectively as those whose homes are in the Province.

The leaders of the main Unionist parties were not even prepared to discuss the position with us. I hope that the House will accept that I gave the Unionist leaders in the Assembly every opportunity to resume their proper functions so that the Assembly would be able to continue. I regret to say that it is because of their failure to discharge their proper functions, and obviously because, not least, some quite serious questions could be asked about the application of public funds to a body set up to carry out certain functions under an Act of Parliament when those funds are not being used for that purpose, that the present action is being taken.

I should like to make it clear that the disgraceful and childish antics in which some Members of the Assembly, and especially the members of the DUP, indulged more recently of occupying a telephone exchange and requiring eviction by the Royal Ulster Constabulary did not enter into my considerations. I was concerned solely to see that the Assembly discharged the functions for which it was set up.

If this order were not made, automatically there would be fresh elections to the Assembly after the dissolution on 20 October. The order does not abolish the legal basis for the Assembly. It simply abolishes the present Assembly which, allowing for the normal recess that it might have taken, would have had only about another month or six weeks of normal sitting days.

The order dissolves the present Assembly and leaves open the date of elections to a new Assembly. It is important to make that point because of some of the exaggerated comments by some spokesmen in the Northern Ireland parties. I noted the comments of the hon. Member for Antrim, North (Rev. Ian Paisley) who complained that all platforms were denied to him. I have described the hon. Member by his proper title. He is a Member of this House, and as such he has access to the most important forum in the United Kingdom. He makes little use of it, and so he cannot say that he is denied the opportunity of expressing in a democratic forum comments on behalf of the people that he represents.

Mr. Michael McNair-Wilson (Newbury): In the event of the Assembly being reassembled for whatever reasons, and assuming that that came after round-table talks, would the Assembly have to operate as is presently conceived in the legislation, or could the legislation be amended according to what came out of those talks?

Mr. King: I shall say something shortly about how I see the future of the Assembly and the way forward.

I should like to deal with the allegation that somehow the Government are trying to suppress free speech or free comment or democratic expression. When I look at the situation that has developed in the local councils in Northern Ireland, at the situation in the Assembly and at the empty Benches in this House, I note that it is not decisions of the Government that have brought any of those circumstances about. They were brought about by the decisions of people in the Assembly or in the councils or by those who were elected to this Parliament. I regret their refusal to discuss the problems with Ministers. They loudly complain about people's refusal to listen, while at the same time they refuse to talk or to take any part in discussions. The inconsistency of that position will be apparent to all hon. Members.

Mr. Robert Maclennan (Caithness and Sutherland): I recognise that there is a great difference between the situations in Scotland and Northern Ireland, but does the Minister recognise that they seem to have one thing in common? I refer to the Government's attitude to the governing of Scotland and Northern Ireland. The wishes of the representatives of the majority of people in Northern Ireland about the arrangements that are made are not given effect in this House. They wish to have more discussed here. Similarly, the representatives of the majority in Scotland wish to have devolved government and the Government are setting their face against that. Does the Minister not see anything curious about this? Why is he so unresponsive to the views of the majority of elected Members from Scotland and Northern Ireland about the way their countries should be governed?

Mr. King: I cannot deny that I see many things that are curious in both situations. I shall come to the point raised by the hon. Member for Caithness and Sutherland (Mr. Maclennan) because I want to talk about alternative approaches in different parts of the United Kingdom. The issue that the hon. Gentleman has raised is important.

Mr. Seamus Mallon (Newry and Armagh) *rose*——

Mr. King: I should like to complete the point and then I shall give way.

We look forward to the creation of a new Assembly on an acceptable basis, but the charge that the Government sought to bring about the dissolution, or that we have been unreasonable or not willing to talk, simply cannot be sustained. I hope that it is now understood in Northern Ireland that I am more than ready to listen to people's points of view and to talk to anybody who wishes to have discussions about a constructive way forward. I shall say more about that later.

If the dissolution of the Assembly is approved by the House, and that decision is confirmed by the Privy Council, there will then be a period during which I shall be anxious to see that as far as possible we can maintain effective methods of consultation. One of the arrangements that operated in the Assembly was that draft instruments or draft orders were issued for consultation and the Assembly was invited to give its views. I propose to continue the practice of sending to the party leaders in

Northern Ireland and to interested hon. Members representing Northern Ireland constituencies in the House any such documents that come forward so that they can continue to be informed about matters. We shall, of course, be willing to receive any of their comments.

Mr. J. Enoch Powell: Is the Secretary of State aware that before 1982, when the practice that he has just described prevailed, there were frequent consultations between Northern Ireland Members and Ministers? Those often resulted in substantial and desirable modifications of the orders that were eventually brought before the House. There is no reason why that procedure should not be fruitful.

Mr. King: I am grateful to the right hon. Member for South Down for his remarks and I hope that he speaks for others as well as for himself.

Mr. Mallon: I wanted to intervene earlier to ask the hon. Member for Caithness and Sutherland (Mr. Maclennan) whether he was enunciating his party's policy when he spoke about majority rule.

Mr. King: It will be a fascinating argument when it starts. I am sure that both the hon. Gentleman and the hon. Member for Caithness and Sutherland will enjoy it.

Mr. Ian Gow (Eastbourne): Could my right hon. Friend address himself to the question that was raised by the hon. Member for Caithness and Sutherland (Mr. Maclennan), the spokesman for the SDP? Does my right hon. Friend recall the year 1978, when he and I voted in favour of the proposition that, before Scotland and Wales were governed differently from the way in which they had been governed before, there should be a referendum in both countries to test whether that which was acceptable to the House was acceptable to a majority in Scotland and in Wales? Why, if he and I were correct to insist on a referendum then, are we not correct to ask for a referendum in Northern Ireland?

Mr. King: My hon. Friend knows the answer before I give it. It is that Northern Ireland is not being governed differently from the way in which it was governed before. I know that my hon. Friend is referring to the Anglo-Irish agreement, and the government of the Province is no different after that agreement. He will recall, as he knows it word for word and I would not presume to tell him anything about it, that the agreement brings no change in the sovereignty of the House and the Government's responsibility for Northern Ireland. That is the essential difference between this case and that about which he was talking.

It was suggested that we should simply not have the Northern Ireland Act 1974 (Interim Period Extension) Order at all, and merely allow the order to lapse, and that its non-renewal was a possible course to take. I put that on record, because I know that it is a matter in which many hon. Members have taken a close interest. I leave aside for the moment the political background and implications of such a decision. I hope that it is understood, now that discussions have taken place, that, quite apart from the political considerations, the technical problems would make it impossible simply not to renew the order. That would lead to major problems for the House and to major gaps in the executive authority and powers in the Province, which would severely hamper administration.

Successive Secretaries of State have come to the House seeking the renewal of the order, and each has said that he hoped that this would not have to be repeated much more often. The basis on which we might forgo renewal does not exist, and, on both the technical and practical considerations, it is necessary to invite the House to renew the direct rule powers contained in the order.

The background both to the decision about the dissolution of the Assembly and that about the interim period extension order shows that this is an appropriate time to take stock of the situation in the Province, and for the Government to make clear their views on the best way forward. There has been more intensive debate in the Province in recent months. One of the consequences flowing from the Anglo-Irish agreement is that it has stimulated a more intensive debate in the Province about what the right way forward should be, and, particularly in Unionist circles, a reconsideration of the position and objectives. It is clear that there is no going back, and that this is the best way forward.

I move on to the approaches to the situation in Northern Ireland that are being debated, my impressions of them and the Government's view on them. The approaches are integration, devolution and even independence, all of which have had their advocates in this debate. I shall deal first with integration. The Government do not support, and would not be prepared to suggest, integration as a policy for Northern Ireland. To suggest that there is no difference between Northern Ireland and other parts of the United Kingdom is to ignore completely the background of different histories, traditions, community attitudes and political parties. These differences have evolved over centuries, and cannot simply be discussed as minor variations that can be cast aside in a uniform Westminster package. There are fundamental objections, without even adding to them the massive problems of reconciliation of legislation and the whole issue of local councils and how they can operate in ways that protect their electors from discrimination.

The slogan used now to advocate integration is "equal citizenship". The implication is that different treatment of legislation implies less citizenship. Yet we know — and this is the point to which the hon. Member for Sutherland and Caithness referred — that there are differences in the way in which we handle Scottish and Welsh matters, while all remaining equal citizens under the Crown. Total integration is unacceptable, not only to the Government but to the House, and the vast majority of people in the Province, both Unionist and Nationalist. They wish to see more control over their own affairs exercised within the Province. I make it clear that integration is simply not on.

In saying that, I repeat what my right hon. Friend the Prime Minister said which was that the Government are certainly willing to look at ways in which Northern Ireland business is handled in the House and to see whether there are ways in which this could be improved. I recognise that there are points to be discussed over the ways in which legislation and other matters are treated. I confirm that we are ready to consider any constructive suggestion. However, I add that this willingness to look at reasonable changes in our present practices should not mislead anyone to believe that this could somehow lead to the state of integration that some hon. Members expound.

Sir Eldon Griffiths (Bury St. Edmunds): My hon. Friend is right to say that this matter has been discussed

[Sir Eldon Griffiths]

in great detail. Will he make clear the Government's position? Is he saying that the acknowledged differences between the various dependent parts of the United Kingdom – that is, the differences between the English and the Welsh, and the English and the Scottish – are differences of degree, but that the differences between the English and the Welsh and the Northern Irish are differences of kind? If he is drawing that distinction, I am afraid that I do not understand it.

Mr. King: My hon. Friend knows that there are differences, whether of degree or of kind – whatever word he chooses, we would need to debate at substantial length. I would not want to mislead my hon. Friend because I am not fully seized of his point. There are different practices, traditions and realities in Northern Ireland. We recognise the differences between the communities and their aspirations, and the different legislation in Norther Ireland. I leave aside one of the key differences – that the major political parties representing in the House every other part of the United Kingdom do not operate within Northern Ireland, as my hon. Friend knows.

Because of the debate that has taken place, I thought it was my responsibility to the House to make clear the Government's position. It would be wrong if encouragement were given to the view that the Government might be prepared to entertain certain alternatives. I hope hon. Members will accept that I have been willing to listen to any points that they wished to make and not to reject them from a doctrinaire point of view. I have been willing to consider ways in which we could help reconcile some of the problems and attitudes. In my statement I have sought to set out what I believe to be possible, but also what I believe is not possible and where I think there is scope to proceed.

Mr. Julian Amery (Brighton, Pavilion): I am sorry that my right hon. Friend has come out so strongly against the possibility of integration. That is his business and he is free to do it. May I correct him on one point? He said that the political parties in this country have not operated in the Province. The Unionist party in the North of Ireland was closely and integrally affiliated with the Conservative party until he and some of his predecessors brought about the present stress.

Mr. King: There is something in what my right hon. Friend says, but he also knows that the background of the traditions and political loyalties in the Province is not the same as the basis of political loyalties in the rest of the United Kingdom. He will accept equally the validity of that point.

Sir John Farr (Harborough) *rose*——

Mr. King: I do not want to take up too much time because we have other orders to debate. My hon. Friend will accept that I have given way on several occasions.

I want to set out the way in which the Government wish to proceed. The Government want to see devolved government in the Province on a basis that commands widespread acceptance. We want a basis on which elected people from the Province can again have a real say in its administration. *[Interruption.]* I heard the groan from my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery), but history is not encouraging. That is an easy and obvious point to make. If my right hon. Friend were plugged into the debate that is taking place in Northern Ireland he would know that recent events have concentrated people's minds in a different way on the best way forward.

In the debate on the Anglo-Irish agreement I recall the hon. Member for Upper Bann (Mr. McCusker) saying that if he had known that he would have to face the Anglo-Irish agreement he would have considered seriously sitting down with the hon. Member for Foyle (Mr. Hume) to see whether they could reach agreement, as residents representing constituencies in Northern Ireland. Many such remarks have encouraged me to believe that more and more people realise the importance of making a real effort this time to find agreement.

We now need to start talking, not necessarily in a great formal gathering or in an official meeting. We must start the process of understanding better each other's point of view. Sooner or later there must be talks, and the sooner the better. I may have the wrong impression, but I think that at last people in the Province appreciate that I am prepared to listen to constructive arguments, that my door is genuinely open and that, as somebody who believes both in the value of Northern Ireland remaining part of the United Kingdom and in the clear rights of the majority in that respect, as well as in the rights of the minority to equal and fair treatment in the Province as part of the United Kingdom, my concern is to see the present log jam broken and a new start made. Nobody who cares about Northern Ireland can want the present sterile and pointless campaign to continue because its main casualty is the good name of Northern Ireland and the interests of all its people.

Sir John Farr: I was anxious that my right hon. Friend should give way. He is on a very important point and he has stressed how anxious he is to hear differing views. Can he tell the House what opinion he tapped, or what sources of information in Northern Ireland he approached, to enable him to come to the conclusive view that he has put, as representing the Government's view? No doubt it is the result of the local soundings that he has taken. Can he elaborate on that point because it is important that we should know from which sources he has been getting this advice?

Mr. King: I have talked to a wide range of people, some of whom might not wish to be identified because of the intimidation that undoubtedly exists in many quarters in Northern Ireland. Many brave people who care about the future of the Province wish to ensure that their views are known and that their best hopes are understood by the Government. I have talked also to Church leaders and to many others. I have sought to talk to as wide a range as I can of Unionists and Nationalists across the Province as a whole. It is against that background that I have formed my views.

I do not wish to be discourteous in not always giving way. This is the beginning of the debate and no doubt hon. Members will seek to catch your eye, Mr. Deputy Speaker. I shall be interested to hear their views. I am sorry that I did not give way earlier to my hon. Friend.

In finding the way forward there must be a start to talks. My pledge is that I am ready now to enter into talks in whatever form is convenient, without pre-conditions

and, if desired, outside any involvement with the Anglo-Irish agreement. I make that offer now. There must be talks. They must start sooner or later, but in whatever form I set no pre-conditions on them. That must be the way to start. I hope that at last others can respond to see whether we can find a basis on which a happier future for the Province can be laid.

4.38 pm

Mr. Peter Archer (Warley, West): I begin by agreeing with the right hon. Gentleman that the Assembly in its recent phase was simply a channel for the abuse of public funds that would have been better spent in the interests of the people of Northern Ireland. Perhaps I go further than he does. Last week when I said that he was pronouncing the obsequies on the Assembly he took me to task. He said, as he reminded us today, that the proposal was merely to dissolve the Assembly, so that if at any future time it was required it could be brought out of store. So we are not pronouncing the obsequies; we are attending a farewell party.

If there comes a time when all the parties decide that they want to discuss the exercise of power in Northern Ireland by the people of Northern Ireland, I suspect that it may be better to provide a different instrument, if only to avoid casting a cloud over the proceedings by reminding them of former unhappy times — those through which we are now passing.

For the moment, another institution is laid to rest and, with it, the hopes which were once invested in it. It would be remiss of us to let this occasion pass without paying tribute to those who tried to make it work. Let us record a tribute to the Speaker of the Assembly, the hon. Member for North Down (Mr. Kilfedder), and his staff. It was not neglect on their part which led to the present circumstances. They tried, and they deserve better. I agree with the right hon. Gentleman that there remain as memorials to the Assembly some thoughtful, well-researched and locally based reports which, in better times, will serve as guides to policy. They demonstrate that politicians who disagree profoundly about many issues may find a basis for co-operation on the practical questions which affect the welfare of their constituents.

Where then is there left to go, bearing in mind that it would have been better if we were not starting from here? Let us begin with what we already have. The Government are inviting the House to renew the arrangements for the interim period. Whatever our respective preferred solutions, we are probably agreed that, for the moment, there is no alternative to continuing direct rule — certainly, some kind of direct rule and, as of now, the 1974 Act. Unhappily, we are also probably agreed that the only argument to be urged in its favour is that there is no agreement on an alternative.

No one who was asked to design a method of government for a free people would have come up with the first schedule to the Northern Ireland Act 1974. Decisions which are of vital concern to the people of Northern Ireland are taken by a Government—I do not mean just the present Government; any Government—in London who do not depend for their support on the electors of Northern Ireland, whose candidates have not sought election there, and who have little to gain from satisfying the electors and little to fear from their displeasure. It is the negation of representative government. I believe that we are all agreed on that.

If those inevitable dire consequences are magnified by the Government's business managers seeking to legislate for whole areas of activity by bringing on unamendable orders at impossible hours of the night, it is small wonder that the anxieties and hopes of the people of Northern Ireland are not reflected in the instruments which issue from the Westminster Parliament.

I am pleased that the right hon. Gentleman stated his willingness to discuss the problems of legislation in the House. The official Opposition are willing to participate in those discussions. Indeed, we have suggested them for a long time. We believe that they could do something to improve the decisions which, in Northern Ireland, vitally affect the quality of everyday life.

I believe that the time has come to hold those discussions. I hope that they will be attended by all the parties represented in the House. Any party could attend without renouncing its position on any other issue. Attendance would not entail any concession or treachery to any cherished opinion. It would not even entail a commitment to future discussions. If we found that we enjoyed the experience of talking together, it might become a habit, and that would be another option.

If any party declined to commit itself, even to the adventure of talks about parliamentary procedure, and chose to absent itself from those discussions, I do not believe that that should constitute a veto over their being held, nor on implementing any agreement to which they might lead. Abstentionism is the right of those who choose to practise it. It is not a denial of the rights of other people. That is something which could be done. It could begin now. I recognise that that is a limited proposal. If we are agreed about the need, for the moment, to make the best of direct rule, I believe that we are also agreed that that is only the first step in a long journey.

The problem about the way forward is not a shortage of ideas for constitutional innovations. The debate is not about constitutional devices. The issue is not whether one constitutional arrangement is better than another. People from two traditions have been brought, by history, into a position where they inhabit one territory. There is no geographical boundary line which could separate them. There is no re-partition which would leave the two peoples on opposite sides of the line. Their home is a home which they are compelled to share. The only question is whether they can live together in peace or whether they are condemned for ever to regard each other as enemies. That is not a constitutional question.

There is no shortage of constitutional devices by which two groups, inhabiting a single territory, can jointly take decisions on how to administer their affairs. Those making virtually any proposal in that context can point to an instance in the history and geography of mankind where it has already been tried and has worked. Whatever is lacking, it is not constitutional ingenuity. The question is not whether some different constitutional plant could grow and flourish. The question is, what is it about the soil which causes every plant to wither?

Like the Secretary of State, my visits to Northern Ireland are not always confined to the corridors of power. I go to places which would surprise you, Mr. Deputy Speaker — *[Interruption.]* I promise that I shall not elaborate. Sometimes I meet not just politicians and community leaders but those who would describe themselves as ordinary people. All the people I meet tell me that their greatest yearning is to live in peace. They do

[Mr. Peter Archer]

not want to have to look over their shoulders every time they go to an unfamiliar part of town. They do not want to have to bite their nails every time their children come home a few minutes late. Yet, collectively, they seem to be condemned to perpetual confrontation. If there is to be peace, it cannot be imposed by people from London or Dublin. It is a search which can be conducted only by the people of Northern Ireland. It cannot be achieved by asking who will win and who will lose. It will not represent anyone's ideal solution. Peace has a price, and it is a price to which everyone must contribute. Nothing is more idle than wanting to live in a peaceful world while we continue, individually, to be quarrelsome.

I believe that there are some ways in which this House can help in the quest for peace. There are ways in which the Republic can help. We could begin by asking whether it is possible to create a climate more conducive to consensus. What is the reason why, in Northern Ireland, one issue seems to drive all the other questions off the agenda—questions which most of us would see as more pressing? It is not that the questions which are the subject of political debate elsewhere do not arise in Northern Ireland. It is not that the economy is so flourishing that it does not require attention. It is not that the public services and the community amenities are operating so successfully that people are free to look for other things to argue about. The reverse is the case.

People who have been denied jobs, or whose jobs are so badly paid that they cannot give their families a decent life, may be tempted to look for scapegoats on which to vent their frustration. If there are not enough jobs to go round, they see their neighbours as rivals. It is harder to be generous on a falling market. I believe that we can demonstrate the advantages of co-operation in economic matters. That is why I call continually on the Secretary of State to tell us whether the Intergovernmental Conference is discussing those questions, and when he will be able to point to some results.

When the Anglo-Irish agreement was concluded, the Opposition said that it should be given a chance, because we believed that it could be the framework for discussion between the British Government and the Government of the Republic, that it could lead to action which would benefit all the people of Northern Ireland and would manifestly be seen to benefit them.

We do not believe that it is possible to argue that the Republic has no interest in what happens in Northern Ireland, and that what people do on one side of the border is of no concern to the other side. That is not true. It is not possible to argue that people who share a tradition have no legitimate interests in common with people of that tradition a few miles down the road. If people inhabiting the same island have nothing to say to one another but recrimination, everyone will suffer. If they seek actively to promote enmity between two parts of the island, they are bequeathing to their children a chilling legacy.

Of course, it takes two to agree. Of course, something depends on the Republic demonstrating that the fears expressed in such dramatic terms in certain quarters are illusory. It is not for me to tell the Republic how to conduct its affairs, but I have my views as to where its best interests will lie over the next few weeks.

What better vehicle could there be than the Anglo-Irish agreement for demonstrating how much the two parts of the island have in common? I confess that there was a moment when I allowed myself to hope that the two Governments would together find a way of saving the Northern Ireland gas industry. A great opportunity was missed. I was pleased that we were told in the joint statement by the Intergovernmental Conference earlier this week that those involved had discussed the importance of the main road between Belfast and Dublin and had agreed to explore the best way of improving the road link between Newry and Dundalk.

There is a need for public investment in roads and in infrastructure. Perhaps the public funds that have been saved by the dissolution which is taking place today could be devoted, in some measure at least, to that purpose. There are people eating out their hearts on the dole who could be working to meet the needs about which, apparently, the conference talked. They are people who live on the same island, whose needs are common needs. The enemies are want, squalor and idleness. All those people are fighting in that battle on the same side, as allies.

If, whenever we ask the Secretary of State what has been achieved by the agreement, he speaks only of security, that would be a mistake. *[Interruption.]* I see that he and his colleagues agree. It is not that security is not important but that, as we were reminded this week, by its very nature, one cannot tell people what has been decided or what has emerged from the discussion. If, within the measurable future, the Government cannot demonstrate some benefit to the people of Northern Ireland from the Anglo-Irish agreement, they will reap the worst of both worlds. They will have encountered the aggravation, the misrepresentation and all the imagined conspiracies and will not have reassured those who set their hopes on the agreement.

This is a short debate, Mr. Deputy Speaker, and I know that a number of hon. Members hope to catch your eye so I shall make just two final points. One contribution which we who live outside Northern Ireland can make is to practise a self-denying ordinance. We can decide that, if we cannot impose peace, we at least will not do anything to increase the bitterness. If we cannot build bridges, we will not destroy them. If we cannot heal the wounds, we will not deepen them.

Critics of the Government have complained of the insensitivity of giving the Government of the Republic even a consultative role in Northern Ireland, because that might upset the susceptibilities of the Unionist people. I agree that the absence of consultation when that was done was less than sensitive. I hope that those same hon. Members will appreciate that a proposal for complete integration, treating Northern Ireland as though it were geographically situated between the Humber and the Wash, might offend the susceptibilities of the Nationalist people and even, I suspect, at least half the Unionist people.

The Secretary of State has spoken of the historical and cultural difficulties that might defeat an attempt to devise ways of integrating Northern Ireland into the administration of the United Kingdom. It has never been treated simply as part of the United Kingdom. For virtually all its existence its people have not actually sought that.

Assuming that it were feasible, that the people of Great Britain were to agree to the proposal and the House were totally persuaded, is it to be done only with the consent of the Nationalist people and the Unionist people, or would it be a solution which the people who live in Great Britain

were seeking to impose on the people of Northern Ireland? Our debates may not always appear to be achieving a great deal. It would be tragic if they contributed to the divisions, bitterness and recriminations.

There is a message which could go out from the House, one on which we could perhaps all agree. Northern Ireland has had a bad press in Great Britain, especially in the past few months. Many people on this side of the water have lost patience with what has appeared as the intransigence of people in Northern Ireland—

Mr. Mallon: All the people of Northern Ireland?

Mr. Archer: The hon. Gentleman has asked a relevant question. I was deliberately trying not to be provocative. He knows what my answer would be to his question but, if he insists on an answer, it is that the Unionist people have had a bad press on this side of the water.

Mr. Mallon: I thank the right hon. and learned Gentleman for clarifying the position. I was not encouraging him to make an anti-Unionist remark. I was trying to encourage him to ensure that he stated that all the people of the north of Ireland are not against agreement, peace or a constructive way forward. That must be clearly understood, especially in relation to the way in which other political parties in the north of Ireland are claiming the term "the people of Northern Ireland".

Mr. Archer: The hon. Gentleman is right. I accept all that he has said and, in another context, I might actually have put that argument. He will see in a moment why I put it in the way I did. The hon. Gentleman is right—the Unionist people of Northern Ireland have had a bad press.

Mr. John Hume (Foyle): The leaders have had a bad press.

Mr. Archer: I have met Unionist people in Northern Ireland who thought that they were not well served by their spokesmen.

It is perhaps ironic that some of the very virtues in the character of the Unionist people have contributed to that image — their passionate commitment to what they believe, their refusal to take the easy way out and their loyalty to their traditions, but much is going on in Northern Ireland of which Northern Ireland can be proud. There are people whose passionate commitment is to building a peaceful community. There are people demonstrating the success of integrated education. There are people holding dialogues across the divide in situations which make greater demands on their courage than anything we say makes on ours.

It is easy for us to debate these issues. Those people are carrying on the debate where it might easily have been silenced. They receive little recognition or encouragement. I believe that they will find a larger place in the history books of the future than they find in the news media of today. They are dismissed as visionaries but, if we are short on anything in Northern Ireland, it is vision. I hope that the House will do all it can to encourage those who seek to keep that hope alive. One day it may be justified.

4.57 pm

Mr. J. Enoch Powell (South Down): The Secretary of State has announced to the House in the form of the first of two orders which we are considering that there is to be no continuation in the foreseeable future of a Northern Ireland Assembly which was set up by the Northern Ireland Act 1982. That is a decision which came as a shock and even a surprise to hardly anyone in the Province. The extent to which it is accepted that that was a foregone conclusion might surprise even the right hon. Gentleman.

In the Stormont Chamber yesterday afternoon, the hon. Member for Antrim, North (Rev. Ian Paisley) sitting opposite my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux) said across the Dispatch Boxes, "The right hon. Gentleman and I will never sit again in a Northern Ireland Assembly." It is not surprising that this conclusion in 1986 should be foregone when we remember that all the Unionist parties in Northern Ireland opposed the 1982 legislaton. The present Speaker of the Assembly was among those who voted with the rest of us against it. Those who were most intimately concerned with Northern Ireland warned and foresaw that the outcome of that endeavour would be frustration.

There were two reasons for that, which can usefully be kept distinct. The first was that that Act created an Assembly which was given neither power nor responsibility, but over which was dangled the bait that it might perhaps have instalments of both if it could discover the undiscoverable, achieve the unachievable and if it could devise a constitutional way in which those who were elected to serve opposite political objectives could maintain that they had achieved, were achieving, or were contributing to the achievement of that which they had represented to their respective electors.

There was an essential falsity and impracticability in the basis upon which the Northern Ireland Act 1982 was constructed. The Assembly was set an impossible task. It was not impossible because of ill will, but inherently impossible in the circumstances which existed then and which exist still.

Mr. Hume *indicated assent.*

Mr. Powell: I am glad to have the assent of the hon. Member for Foyle (Mr. Hume), who never concealed his view on this matter, however much he was mistakenly abused for stating it.

There was a deeper reason why the Act, over which a veil is now being drawn, was foredoomed to failure and that is—and I shall use a word which I will instantly qualify—the devolutionary context in which it was seen. I qualify that expression all the more because this afternoon the right hon. Gentleman the Secretary of State, in two vivid and remarkable passages in his speech, has taken the old, rather boring, antithesis between integration and devolution and given to both of them an interpretation which I believe is enlightening and useful. He has contrasted with the concept of integration the fact that British rights are available to British citizens under different forms of government, if we examine them, and under different parliamentary regimes in the different parts of the United Kingdom. Therefore, in a way he has liberated us from many of the more grotesque implications of a term which has been used more as a term of aggression than enlightenment in Northern Ireland debates. In referring to devolution—I shall return to this later—he referred to devolved administration in the Province, thus making one of the vital distinctions in this subject, the distinction between legislative and administrative devolution.

It is important to understand the background to the attachment to the aim of devolution which all

[Mr. Powell]

Governments have professed since 1969 — since 1972 when they destroyed one devolved administrative structure in order to attempt to replace it with another, right up to 1985 when they wrote that aspiration into the terms of the Anglo-Irish agreement.

We know the reasons why, at the beginning of the section of the story—that is, in 1919 when some of us would say that what was mistakenly called the Northern Ireland state was created — it was regarded by the Government of the day as impossible that those who had not voted themselves out of the United Kingdom at the 1918 election should remain an integral part of the United Kingdom. Since we are dealing with a period in which the records are open, there need be no dispute or debate about what the motivation was. There was one very clear and definite reason why the people of Northern Ireland were told that they would have to have home rule whether they liked it or not, the acceptance of which Sir James Craig described as the "ultimate sacrifice" which they were called upon to make.

I shall not trouble the House with many quotations, but I think that it is worth putting on record one or two from the Cabinet meetings of December 1919 when the form of the Government of Ireland Act 1920 was being decided by the Lloyd George coalition. The minutes of the Cabinet stated that

"a united Ireland with a single parliament"

was

"the ultimate aim of the Government's policy."

The Cabinet said that the Bill had to be

"a measure which paved the way for a single Irish parliament".

A week later the Cabinet said that the Bill should be framed bearing in mind that its "ultimate aim" should be the unity of Ireland.

From 1920, the insistence of the mother country upon home rule in that part of the United Kingdom was motivated by its determination that the interests and political purposes of the United Kingdom required that sooner or later, in some way or other, there should be an all-Ireland state. That is the framework and the background against which, quite inevitably and understandably, the profession of a determination to secure devolution in Northern Ireland was bound to be viewed in the Province.

Like its predecessors, this constitutional experiment has come to its predicted fate. As the House proceeds to approve the draft order, as I am sure it will, there is one practical point I should like to put to the Secretary of State. Very shortly we are going to put an end to the life of the Assembly. He did not announce the precise date and I appreciate that that may depend upon the convenience of the sovereign in relation to the holding of the necessary Privy Council. However, he can ensure that when the date is fixed it is such as to enable there to be courteous, reasonable and understanding treatment of those who, for a number of years, have given their services to this institution. There have been some unpleasant rumours of less than courteous and considerate treatment being intended.

Mr. Tom King *indicated assent.*

Mr. Powell: I am glad to have the Secretary of State's assent, and I am sure that he will see that that does not happen. I know that it could not possibly be his intention.

With that behind us, we ask, "What next?" Part of that debate is laid before the House in terms of the Northern Ireland Act 1974 (Interim Period Extension) Order, but the whole of the debate is not summed up within the confines of that order. Last week, in answering questions after his statement, the Secretary of State recognised candidly that there was a certain absurdity in a form of government in which, between the Secretary of State and his Department and district councils which were little more than parish councils, there was no administrative machinery with any democratic input from the people who were governed. The right hon. Gentleman is quite right and he is right in saying that there cannot be British rights for British citizens, in the connotation which he gave to that phrase unless there is in Northern Ireland, as there is in the rest of Great Britain, representative local government in the sense of representative administration. —*[Interruption.]* I am not such a pessimist as the hon. Member for Foyle.

Mr. Hume: I would advise the right hon. Gentleman that he has a very short memory. Those hon. Members who argued for integration and for giving power to local authorities in Northern Ireland on the same basis as on this island also have short memories. It is precisely because of serious abuse of those powers by local authorities in Northern Ireland that we find outselves in our present position. The parish councils to which the right hon. Gentleman referred have shown no sign that they have changed their attitudes in any way. I certainly would not want to be a member of the minority community in Northern Ireland in one of the council districts if they had substantial power over planning, housing, education or any other serious matter.

Mr. Powell: My experience and observation are not in line with that of the hon. Gentleman.

Mr. Hume: I only live there.

Mr. Powell: Well, I have three district councils wholly or partly in my constituency. In one there is a large majority and in another a small majority which is anti-Unionist and in the third there is a Unionist majority. Within the scope of their administration those councils behave as effectively and their officials administer as effectively as in the corresponding bodies in Britain. I see no impracticability if the anxieties persist which the hon. Member for Foyle has expressed, in a Secretary of State for Northern Ireland being given powers of intervention and regulation which exceed those — though they are considerable and have recently been increased — which are held by central Government in Britain.

I make two suggestions to the Secretary of State for Northern Ireland in the context of the glaring gap which he rightly identified. First, he should move gradually and not in bold leaps. We have a structure, to which the hon. Member for Foyle has not been entirely fair, on which it is possible to build, having due regard to the circumstances and to the past, which has been mentioned, and to the anxieties. If we do that we shall be encouraged to go further. If rolling devolution was a failure we might well find that rolling local government was a practical success.

In that context I ask the Secretary of State not to be dismissive—I know he did not intend to be—of what was said last week by his hon. Friend the Member for Newbury (Mr. McNair-Wilson). A great deal can be said

for an outside mind or minds being brought to bear upon the structure of local government in Northern Ireland. After all, there is widespread respect for the architect of what we now in retrospect see to have been the ill-fated reorganisation, or destruction, of local government which occurred in the last year or two of the Stormont Administration. The Secretary of State could well derive assistance, in presentation and in substance, by seeking outside advice, clearly respectable and valued advice, upon the directions in which local government could be developed in the Province. That is one of the directions in which we must work.

Another direction in which we must work is more directly connected with the second order which is before the House. When a previous attempt at what lay behind the purposes of the Northern Ireland Act 1982 collapsed in 1974 it was natural – I make no complaint of the Government of the day for having done so – that the 1973 legislation – what I might call the Sunningdale power-sharing legislation – was put into cold storage for the time being. A system of administration, which, as the right hon. and learned Member for Warley, West (Mr. Archer) said, no one would willingly invent or commend, was installed on a year's purchase while people reassembled their notions after the collapse at the beginning of 1974.

In 1986 neither the Secretary of State and the House nor the political parties in Northern Ireland seriously believe that in the foreseeable future there is the prospect of either the Northern Ireland Constitution Act 1973 or the Northern Ireland Act 1982 producing the basis of a devolved administration in the Province. Yet nevertheless, year after year, for fear of admitting what everyone knows and what everyone privately, and often publicly, admits, we continue to re-enact a system of government which is intolerable in a part of the United Kingdom and which is deeply resented by a large part of the people of Northern Ireland. It is resented not only by the Unionists, but they live in the part of the United Kingdom where the laws are made – this is the most sensitive impact of a Government upon the citizen – by the Secretary of State in a form which is neither satisfactorily debatable nor amendable.

We must find a way in which the making of the laws in Northern Ireland can be brought into an acceptable accord with the ways in which the laws are made for the rest of the United Kingdom. It may well be that the models of Wales and Scotland will be an example of the way in which the different circumstances in Northern Ireland, which the Secretary of State mentioned, can be taken into account. His analysis of that provided the agenda for considerable reflection, discussion and work upon that theme.

For the time being I do not dispute that, lacking foundation, or at any rate the foundation being cluttered by the legislative wreckage of 1973 and 1982, it is unavoidable that the Secretary of State should bring the order forward. I hope that it will be the last full year that the regime runs. I hope that in the following 12 months a way will be found, which will be honourable and acceptable to all in Northern Ireland, whereby the legislation which is imposed upon the citizens of Northern Ireland is enacted in a manner which is felt to be as fair and as democratic as the manner in which legislation is enacted for Wales, Scotland or the rest of Great Britain.

Both the contributions of the Secretary of State and of the right hon. and learned Member for Warley, West have taken us further in this debate than we have yet been in the years since 1972—and, I am tempted to say, since 1969. To some extent, I have taken a leaf out of the book of the right hon. and learned Member for Warley, West in putting considerable emphasis on getting things in the immediate future into a tolerable condition, so far as we can do so without incurring dangerous symbolic implications and impacts upon the more distant future.

In this debate we are essentially considering how we carry on and what work we shall do together in the next 12 months. There is material for that in the two speeches which we have heard from the right hon. and learned Member for Warley, West and the Secretary of State this afternoon.

5.17 pm

Mr. Seamus Mallon (Newry and Armagh): For people who have experienced a debate such as this in the Chamber before, there must be a sense of deja vu. This must be the 12th or 13th year that this sort of debate has taken place.

Mr. Hume: The 14th.

Mr. Mallon: It is my first experience. For that reason I want to make three points.

First, I am sad that once again an initiative in Northern Irish terms has failed. I say that as one who opposed the setting up of the Assembly and its continuance and considered its ending with some satisfaction. I am sad because I witnessed the initiative and was part of it in 1974. I was also part of it in 1976, the period to which the right hon. Member for South Down (Mr. Powell) also referred. I see the same initiative again in 1986. I ask myself essentially the same question as the right hon. Member for South Down asked himself from an entirely different perspective: is the approach to this problem the right approach or is it hanging on to an approach that has failed and may even continue to fail? That is the key question that must be at the back of all our minds at present.

I disagree fundamentally with the right hon. Member for South Down. He made a very pertinent and erudite speech but he missed a point, which is the one certainty in the entire position in Northern Ireland, which we ought never to miss. It is that if we could persuade every Nationalist living in the north of Ireland to leave or to go to the shores of Lough Neagh one morning and jump in, the problem would be over. The problem would then have redefined itself in terms which would allow for an accommodation, either within an integrated British sense or within an integrated Irish sense. On the other hand, if we could encourage all Unionists to go to the shores of Belfast Lough on a designated morning and jump in at the same time, the problem would again be over.

Neither of those two things will happen. Nationalists will not leave Northern Ireland, nor will Unionists. We are left with the one certainty that whatever way we try to grapple with the problem, from whatever dimension we approach it, we arrive at one constant point, and that is that we have two sets of people living in a small part of a small island who must accommodate each other within the smallness of their political lives or, if they will not live together, die apart. That is the reality which is not catered for by the theses which the right hon. Member for South Down has so eloquently postulated.

[Mr. Mallon]

Irrespective of one's theory and the dimension from which one looks, and irrespective of the ideological standpoint one begins at, that is the crunch reality and the one with which we must all deal, whether we favour, as I do, unequivocally, the creation of Irish unity, whether we favour integration or see devolution as perhaps a halfway stage to either, or perhaps as a way of partially washing our hands of the problem.

If that is the reality, we must not shirk it. From whatever ideological point we start, we are being irresponsible if we do not look at that reality and see how we can cope with it. People must ask themselves this question: if there was integration of the type advocated by the right hon. Member for South Down, and the various pieces of machinery whereby legislation could be vetted and judged here, would that of itself be a contribution towards allowing the two sections of people to live together in the way that they must?

That would take one thing from them — their own constructive element in building that part of their lives. We would be catering for a situation which, I must confess, I find to some extent condescending and humbuggish — that if we hand down to the people of the north of Ireland that which is properly examined here it would be satisfying to the people of Northern Ireland. Anybody who knows anything about both sections of the community there would know clearly that that would not satisfy them because it would remove from them the one great dynamic —the means to create their own future in a way that is uniquely Northern Irish. The Secretary of State has been giving his views on the north of Ireland in relation to this island, but the one thing that we can say with some certainty is that it is uniquely different.

Let me make a further point on using the council structure as the basis for an administrative structure in the north of Ireland. I have belonged to a district council since the creation of the present local government structure in 1973. It is not in the constituency of the right hon. Member for South Down. In those 14 years, not only have I not had access to power within that council—power to do things or to prevent things being done — I have not been successful once in 14 years in being elected to a sub-committee of that council. The work of sub-committees ranges from placing children's playgrounds on housing estates, collecting bins to sometimes assuming responsibility for burying the dead. That gives a fairly accurate assessment of how local government is still working in a very partial way.

Let there be no doubt about it. We are are not talking of parish councils. That is a folksy type of idiom and is inaccurate. I speak as a parish councillor. That terminology would be resisted in political terms by the political representatives of the Nationalist community because not only have we seen what happened in the past but we are seeing what is happening to this very day. Look at Craigavon, Armagh and Ballymena. Look all round the councils of the north of Ireland. Anybody who would even toy with the notion of making those the basis of an administrative structure would be very foolish indeed.

There is a spurious argument, which has been expressed many times, that the Assembly, the wind-up of which we are now discussing, should not be wound up because it gives a platform to those people who are using it. My party and its leader regarded the Assembly from the word go as something which could not succeed because, as the right hon. Member for South Down pointed out, it had not the power of decision. It could not decide on anything whatever. Again, he missed the basic point that that type of political condescension does not attract people in Northern Ireland. We said then it was a white elephant and it was. Subsequently, I said that not only was it a white elephant but it had become a rogue elephant as it charged its way into the telephone exchange and blasted itself out of existence. I could even stretch that analogy further and say that it became "Buzby babes" overnight as it put itself out of business.

Mr. Henry Bellingham (Norfolk, North-West): Might the hon. Gentleman and his party consider going back into the Assembly if a fresh order created new elections to that Assembly, if the conditons were right?

Mr. Mallon: My party, as its leader has said consistently, is prepared to enter into discussions to reach agreement about what will take place in the north of Ireland and, having reached that agreement, then to go from a position of strength to the electorate to seek a mandate, and then to go into any Administration with the strength of that mandate behind us. In that way we could tackle problems which are almost insurmountable and which would require the weight of that mandate to enable them to be tackled. That is our position and will be our position.

There has been much discussion of the Anglo-Irish accord. I do not want to go into the details or workings of it, or even the non-workings of it, but it has done one thing which is crucial to the resolution of our problems —it has posed two choices. It has posed the question to Unionism and to sections within the Unionist community: "Can you live with the concept of equality and justice for all people in the north of Ireland?" Until that key question is answered positively, there will not be a proper solution. Devolution will fail in those circumstances, integration will fail in those circumstances, and every other approach will fail until, within the machinery set up by both Governments, the Unionist community at large can say that it can live with the principle of equality for all and with the principle of justice for all.

Mr. J. Enoch Powell: The hon. Gentleman appears to have forgotten the warning that he gave at the beginning of his speech. The question is not simply whether we can live with equality and justice, but in what state we are to live in equality and justice with all the other members of that state.

Mr. Mallon: I can tell the right hon. Gentleman clearly the basis on which the community that I represent wishes to live within that state. There is only one basis and that is as equals under a proper system of justice—nothing else. If we have to continue to live within the north of Ireland, if the creation of Irish unity, which I want to see happen, will not happen, as I accept, next week, next year, or perhaps even the year after, I want to live as an equal with a proper system of justice. That is the challenge which has been thrown down to the Unionist community in Northern Ireland. It has not yet been answered and, until it is, none of the attempts being made will come to fruition.

If those twin aims of the Anglo-Irish accord are realised, if the British Government have the courage and the will to carry through the much needed changes that will

realise those aims, and if the Irish Government also have the will to face the challenges of those twin aims of equality and justice, Northern Ireland as we know it will be changed. Unionism as we know it will become an anachronism. Nationalism, as it has always been defined, will become almost an anachronism as well. The political faces of both communities will be changed. The events of the next six months will prove whether that challenge can be met by the communities of Northern Ireland, the political parties in the United Kingdom, or the Government of the Republic.

5.31 pm

Mr. Julian Amery (Brighton, Pavilion): My right hon. Friend the Secretary of State said that the Assembly is not dead. I suppose that it is in a coma. He reminded me of certain companies in California which advertise the facility for popping one's loved ones into a refrigerator and bringing them out again at a later date.

However, in this debate we are burying not the Assembly but the policy which has been pursued by successive Secretaries of State since the abolition of Stormont. As I understand it, that policy rested on devolution based on power sharing and an Irish dimension. It has been pursued energetically, consistently and in an undeterred way by five Secretaries of State. I do not know whether they were the right men for that job. The political climate of Northern Ireland is very different from the Machiavellian gentility of the usual channels here, or from the passive broad acres of East Anglia. I do not know whether it was a good idea for three ex-Chief Whips and two East Anglian country gentlemen to do the job, but I am not sure that anybody could have done it, because there is a basic inconsistency in the formula of devolved power sharing and a foreign dimension. There are few examples of successful power sharing. The Lebanon was often cited as one of the best. I played some part in designing a power-sharing constitution for Cyprus. However, the ruins of both are apparent to all.

The introduction of the Irish dimension was bound to be fatal simply because it meant that the Irish Minister would be supporting the minority community, while the Secretary of State, as was his duty, had to take note of the interests of all of the Province. He could not be the supporter of the majority, and so the concept was an unequal one from the beginning. That policy has been tried and has failed miserably. Sunningdale failed because the Irish dimension was too much for the majority to swallow. The Assembly failed because the SDLP found that the Irish dimension was not enough, and Hillsborough has been too much for the majority.

It is time to recognise that this concept cannot work because it is strange to the Unionists, it is not conciliatory to the Nationalists, and, meanwhile, the IRA continues to go about its deadly business.

The Secretary of State said that he still stood by the policy because it is logical. Maybe it is, but Ireland is not known as the home of logic. The policy has clearly failed and the speeches that we have heard from distinguished right hon. and hon. Members representing the Province show that they are completely unreconciled to that basic concept. Nothing is more dangerous in politics than to be tied to the practice of what is obviously a dead policy. After 15 years we need a new approach, but for the moment it must continue to be direct rule.

My right hon. Friend the Secretary of State discussed the decision to suspend the Assembly, and talked about local government being at present no more than parish committees. Perhaps my right hon. Friend the Secretary of State could follow the advice of the right hon. Member for South Down (Mr. Powell) and move gently towards something else. Improved arrangements for the transaction of Northern Ireland business could perhaps be pursued here, in the Palace of Westminster. The block presented by the Hillsborough arrangements still remains and I urge my right hon. Friend to put it on the back burner, and to try to limit it for the time being to trans-border security.

The issues at stake are complex and I am sure that the Minister will understand my view that they are by no means limited to Northern Ireland. It is almost 100 years to the day since Joseph Chamberlain and Hartington broke up the Liberal Government in order to stop Gladstone's onward career towards home rule. They realised that such a course would lead to the break up of the kingdom. As a result of that remarkable Cabinet crisis, an alliance of the Liberal Unionists and Conservatives was formed. It stood the country in good stead in the years that followed. Hon. Members on this side of the House, in believing that their policies were right, and that the policies of the Opposition would have been disastrous, were often able to continue with their work, thanks to the support of the Unionist party.

It is not necessary to do much crystal gazing if one looks at the public opinion polls, but my right hon. Friend the Prime Minister and her colleagues might need to have the support of the Northern Ireland Unionists, not just to carry out policies relating to Northern Ireland, but to carry out those policies relating to national security, defence and the economy which we believe are vital to the future of the United Kingdom. British statesmanship requires that we give the highest priority to ending the estrangement between our party and the Ulster Unionists.

5.37 pm

Sir John Biggs-Davison (Epping Forest): Hon. Members are always glad to listen to the right hon. Member for South Down (Mr. Powell). I had hoped that he would bring with him today his colleagues in the Ulster Unionist party. This is a new situation, and as such perhaps it could have been the occasion on which the Ulster Unionist party as a whole recognised that the Union must be defended in the Parliament of the Union.

Perhaps it is less surprising that those hon. Members are not present because this debate follows hard upon yet another meeting of the hated Anglo-Irish Intergovernmental Conference. Dr. Garret FitzGerald is a humane statesman and must therefore share the concern of Her Majesty's Government at events in the Province since the Anglo-Irish agreement was concluded at Hillsborough. If Her Majesty's Government wish to resume contact with the Ulster Unionists, and if the Irish Government wish to contribute to a better relationship between the north and south, and between the Republic and the United Kingdom, dealings between the sovereign Governments of these islands should be conducted not within the Anglo-Irish Intergovernmental Conference but within the Anglo-Irish Intergovernmental Council. The latter was there previously and could equally well perform the functions intended by the two Governments, including

[Sir John Biggs-Davison]

discussion of the Belfast to Dublin road to which the right hon. and learned Member for Warley, West (Mr. Archer) attaches importance.

The Secretary of State was looking forward to yet another Assembly. I do not, unless it is perhaps a regional council. The right hon. and learned Member for Warley, West said that the Assembly was a waste of money, yet he voted for it while I did not. I have looked up the relevant information and it took 98 hours and 14 minutes of parliamentary time for the Northern Ireland Assembly Bill to become an Act. My hon. Friend the Member for Eastbourne (Mr. Gow) drew a telling comparison with the other Assemblies that were once proposed for other parts of the United Kingdom. He said that a referendum was required by the House before such Assemblies could become effective.

Viscount Cranborne (Dorset, South): My hon. Friend will no doubt remember better than I that at the time of the Sunningdale agreement the Secretary of State for Northern Ireland made a clear statement that nothing would be undertaken without the clear approval of the majority of the inhabitants of Northern Ireland. What happened to that democratic commitment in the context of the Anglo-Irish agreement 13 years later?

Sir John Biggs-Davison: No doubt a reply to that question will come from the Treasury Bench before the debate is concluded.

My right hon. Friend the Secretary of State courteously gave way to me when I intervened about the work of scrutiny carried out by the Assembly. My right hon. Friend said that it was far better for that task to be carried out in Northern Ireland because more local people could then be involved. But if that is so, the same argument must apply to Scottish and Welsh legislation. However, I do not think that my right hon. Friend wants to set up Assemblies in Wales or Scotland.

When I was taught the principles of war, I was told never to reinforce failure. However, the Government seem to have reversed that maxim in relation to their Northern Ireland policy. The devolved government that my right hon. Friend the Secretary of State still seeks cannot be achieved in a form that is acceptable across the community, or to the House. When will the Northern Ireland Office understand that no term can be put to terrorism, and that Northern Ireland can never settle down, when will it understand that Unionist Ulster cannot be brought to applaud and assist the development of the "unique relationship" with the Irish Republic without fear of betrayal, when Ministers and mandarins continue to deceive themselves and impose their short-lived experiments and—as the right hon. and learned Member for Warley, West said—constitutional devices?

My right hon. Friend the Secretary of State apologised for the renewal of what we call direct rule. The right hon. Member for South Down (Mr. Powell) made stringent criticisms of the way that it operates. But public opinion polls show that direct rule is the second choice of most people in Northern Ireland. Perhaps a general agreement on second best is better than no agreement at all. Moreover, direct rule made democratic through local government equals integration.

We have always honoured Airey Neave in this House. But perhaps it would be better to honour him by considering the policy that he put forward than by merely paying tribute to him in words. I shall not be found guilty of the bad taste of citing any Conservative and Unionist party manifesto in this connection, but I should like to quote just a few of Airey Neave's words. They were prescient, because they anticipated the new Ireland forum and what followed it. He was addressing Conservatives in Maldon, Essex, in May 1978, and he said:

> "Recent attempts to seduce the whole community of Ulster into a Federal Ireland, and similar unpractical dreams, are doomed . . . We believe nonetheless that both sections of the community would benefit from restoring to Ulster an upper tier of local government".

We have heard all the arguments about the undesirability of enlarging local government in Northern Ireland. The Catholic dustbins of Lisburn have entered into the mythology of nationalist grievance. But we expect Ministers, especially powerful Ministers such as the Secretary of State for Northern Ireland, to bash bigotry, just as we expect Ministers in other Departments to act against political discrimination and local government mismanagement — of which there is plenty in some of Great Britain's big cities. But we know why the Government will not enlarge local government: the SDLP does not want it. Incidentally, there is no SDLP Member in the Chamber.

We are told that we must get rid of the Unionist veto on progress in Northern Ireland. But there seems to be more of a Nationalist veto than a Unionist veto. Why does the SDLP object to enlarging local government? Plenty of SDLP councillors would welcome an enlargement of their functions. Many of them are doing a good job for their people and for the community as a whole, and would like to do more. Indeed, I pay tribute to many Nationalist-dominated authorities which have treated Unionists in a spirit of co-operation. But the SDLP objects, because integration — to use the short word — arrests any slide into the south. I accept that the SDLP wants devolved government, but on its terms.

Northern Nationalism is a legitimate opinion to hold, which we should respect. I certainly do. That Nationalist opinion could be allowed expression through further border polls or, preferably, by the question put in the plebiscite of 1972 being added to ballot papers in elections in Northern Ireland, so that there can be continuing consultation with the people of Northern Ireland. If the SDLP or any other Nationalist party could convert their countrymen in the Province to a united Ireland, we would not stand in the way of that.

There are many Irish Nationalists in cities on this side of the water, and they have learnt to live as a respected part of the British family. They are a minority in Great Britain, but a larger minority in Northern Ireland. What is so distressing about every futile political initiative is that its message is, "There you are. You are separate communities. Stay in the ghettoes." Every political initiative, including the Anglo-Irish agreement, has institutionalised the sectarian divide. Many Catholics want the Union. However, at elections they are almost compelled to choose between parties whose aspect is tribal.

We must establish equal rights, equal citizenship, and full administrative devolution under the sovereignty and protection of Parliament. It follows — I think that my right hon. Friend the Secretary of State and I are on common ground here — that the people of Northern Ireland should exert their proper influence at the centre of

power, here at Westminster, through the party system of the United Kingdom, and through political parties or alliances that correspond with those in Great Britain. That is the way forward, and no one has shown me any other.

5.49 pm

Mr. Stephen Ross (Isle of Wight): The hon. Member for Epping Forest (Sir J. Biggs-Davison) has made an attractive case but, as he will anticipate, I shall not go down his road. As a supporter of the initiative taken by the Secretary of State's predecessor, the right hon. Member for Waveney (Mr. Prior), I am saddened by the demise of the Assembly. However, it was right that that decision was taken.

There is no doubt that after its inception the Assembly did some useful work. I have many of the documents still on my book shelves which show that the Assembly carried out useful work on social security and agriculture in Northern Ireland. I also take the opportunity to pay my respect to the hon. Member for North Down (Mr. Kilfedder) who, as Speaker, fulfilled his role in the Assembly with some distinction.

In recent months the magnificent facilities at Stormont have been abused. The Alliance withdrew and Stormont became a venue for weekly attacks on the Government at a not inconsiderable cost to United Kingdom taxpayers. It will now go down in history as yet another lost opportunity. However, the only realistic way forward for the Province must be through a devolved administration with the respective parties acting in partnership and possessing sufficient powers to make and implement important decisions. The siren voices — we have heard them already today and there will be more — calling from the Government Back Benches for total integration may satisfy a few hard liners but will do nothing to reduce tension. Furthermore, they will do nothing in the long run to help revitalise the economy of Northern Ireland. I know that that view is shared by many Unionists.

Northern Ireland is not unique in that respect. In my view, the restructuring of the whole of the economy of the United Kingdom is almost entirely dependent on the return of meaningful power and decision making to the regions, cities and counties of our country. I attended a meeting at lunchtime today with the development commission, which carries out great work in rural areas. The commission is not responsible to any elected authority. I wish that that similarity could be more widely understood in the Province. I recognise the role played by the Local Enterprise Development Unit and the Northern Ireland Development Board among others, but I believe that they should both be responsible to an elected authority.

Once again, the British Government must go back to the drawing board. Unless some willingness to make concessions and to co-operate is forthcoming from the various party leaders, no new initiative is likely, and Ulster will be the poorer for that. It is surely not beyond the wit of the leaders of society, and especially politicians, to get together and agree on a structure that gives both communities a fair share of responsibility in the daily running of the Province. Failure to make such concession can only mean continuing violence and death and leaves the local population with no hope for the future. What is more, 53·5 million people living in the rest of Britain will eventually and inevitably seriously question why they should continue to fund such a high proportion of the Northern Ireland budget when local leaders refuse even to sit down and talk to each other or to Her Majesty's Ministers.

We want to know how much longer we must wait before the political leaders in Northern Ireland put the future well- being of their country first. That is the future not only of Northern Ireland but of Great Britain, too. When will they accept the challenge to establish a power-sharing Administration which will, coincidentally, immediately lessen the influence of the Anglo-Irish Conference?

Watching the Harland and Wolff workers marching with their banners this week must make those being laid off in our shipyards in the north-east and elsewhere ask why they should continue to support that yard. I have enormous respect for John Parker and his work force. Moreover, the yard is probably the best fitted out in Europe and I only wish that it was refitting the QE2, but I also sometimes wonder why I should continue to back that yard from the alliance Benches. Apart from a few well publicised incidents, when things have gone seriously wrong — obviously Bloody Sunday was one — successive British Ministers have, since 1969, tried their level best to correct the mistakes of the past. On the whole, I believe that we have succeeded and deserve credit, not eternal criticism, for so doing. We just do not deserve the abuse that continues to pour forth from the lips of some of those who purport to be political leaders and, incidentally, Christians.

Housing provision has improved beyond recognition in the nine years that I have been visiting Northern Ireland. Londonderry has a new city centre which won an award last week. There is a new £23 million bridge nearby. Large new bungalows and substantial modern houses occupy attractive sites on farms over a wide area of the Province. Even in Belfast, many excellent homes have been built and renovated. Two weeks ago I visited two firms which have climbed out of receivership with the aid of the Northern Ireland Development Board—Tyrone Glass and Belleek China.

Such success might be hard to believe when listening to Northern Ireland politicians. They continue ad nauseam to abuse those in authority. One even had the gall to try the Prime Minister for treason in the centre of Belfast and sentenced her to the electric chair. A new generation has grown up in that atmosphere, soured by the appalling actions of the Provisional IRA and INLA and the weekly propaganda from both sides. What was it that so soured Patrick Magee, now serving a life sentence, that he chose to try to blow to smithereens the leaders of the country where he grew up? How did he come to hate us to such an extent when he spent much of his youth in the pleasant city of Norwich? I suggest that when he returned to Belfast he became infected with all the sentiment, bigotry and propaganda that still prevail instead of being able to recognise the desperate need for changed attitudes.

The stupidity of Anglo-Irish relations is that, whether we like it or not, we are all widely inter-related. Many second generation Irish sit in this House and even the Lord Chancellor has referred to his Irish antecedents recently. Irish men and women serve in the House and many of us have Irish ancestry in our blood. I have three Irish grandchildren myself. That is what makes the call "Brits out" so stupid. The message that I believe should go out to the Province from this House is, firstly, that the Anglo-Irish agreement is here to stay, and it will not be watered

[Mr. Stephen Ross]

down. Secondly, despite our equable temperament in this land, the time may be approaching when we may feel constrained to say "Work together or go it alone."

Mr. J. Enoch Powell: Now tell us about Polaris.

Mr. Ross: That is the type of comment that I would expect from the right hon. Gentleman.

Finally, I would like to pay a special tribute to the RUC. Despite all that it has suffered, I found on my recent visit that morale was high and its determination to see the summer through was evident, despite the likely provocation. Mr. Wright has a serious point when he calls for local politicians to put their act together and stop leaving the RUC to pick up the pieces and do all the dirty work. Mr. Wright echoes my sentiments entirely. I wish the RUC and the Chief Constable well in the tasks that lie ahead. They hold a tremendous responsibility this summer. If they succeed, as I believe that they will, there is just a chance that saner counsels will prevail. In the meantime, I wish that all citizens in Northern Ireland and those outside the Province would sit down, read and inwardly digest the words of the Northern Ireland accord.

5.58 pm

Mr. Ian Gow (Eastbourne): I had hoped that the speech of my right hon. Friend the Secretary of State for Northern Ireland this afternoon would have shown that there had been some narrowing of the gulf that I believe exists between the six Ministers in the Northern Ireland Office and the majority of the people in Northern Ireland. It is with deep regret that I have to say that I believe that my right hon. Friend's speech gave no sign of a greater understanding by those who sit on the Treasury Bench of the true feeling of the people of Northern Ireland.

In answer to an intervention, my right hon. Friend the Secretary of State said that his justification for the failure to have a referendum in Northern Ireland along the lines of the referendums held in Scotland and Wales was that, whereas the Scotland Act 1978 and the Wales Act 1978 proposed that Scotland and Wales should be governed differently from the way that they had been governed previously, the Anglo-Irish agreement meant that there was no change in the way that Northern Ireland was governed.

I have to say to my right hon. Friend the Secretary of State that neither the Government of the Irish Republic nor the overwhelming majority of the people of Northern Ireland agree with him when he says that there has been no change in the way in which Northern Ireland is governed. My right hon. Friend affirms, as he is entitled to do, his earlier argument that no analogy is perfect, but I put this analogy to him. If the Government of the Federal Republic of Germany were to lay claim to the French département of Lorraine, and if there were an agreement between the Government of the French Republic and the Government of the German Federal Republic that henceforth the Government of Germany would be able to put forward views and proposals in regard to Lorraine, and that the French Government would reach agreement on the proposals put forward by Germany for the government of Lorraine, does my right hon. Friend really believe that, in those circumstances, the people of Lorraine would say, "We are governed in the same way under the new arrangement as we were in the past."?

Mr. Tom King: My hon. Friend made the interesting comment that, effectively, there was a change in government, and that that was the view of the significant majority, and also of the Irish Government. Will he give me the quotation to which he referred, in which the Irish Government state that there is now a change of the system of government in Northern Ireland?

Mr. Gow: Yes, the Prime Minister and the Minister for Foreign Affairs of the Irish Republic are both on record as having said in the Dail and elsewhere that the system of government in Northern Ireland was different after 15 November from the system before then. I shall happily give my right hon. Friend exact quotations from both the Irish Prime Minister and the Minister for Foreign Affairs. Indeed, one of the tragedies of the Anglo-Irish agreement is that there has been a different interpretation upon the agreement by my right hon. Friend and by Ministers in the Irish Government.

It is not only the assertion by my right hon. Friend that there has been no change in the system of Government for Northern Ireland — a view that is not shared by the overwhelming majority of the people of Northern Ireland — which reveals the gulf between the Treasury Bench and the people of Northern Ireland. I was much concerned when my right hon. Friend said that he was prepared to enter into discussions — I think that he genuinely meant this — with anybody in Northern Ireland without preconditions. But this afternoon my right hon. Friend spelt out one precondition that was most unwelcome to some of my hon. Friends, as it was to me. That precondition was that the Government have excluded, without further discussions, the possibility of what my right hon. Friend described as "total integration." Those words have never fallen from my lips. I have never used the words "total integration".

It was noticeable that, in the most recent two questions that I asked my right hon. Friend, he answered a question that I had not asked. For the sake of accuracy, I have the *Official Report* here. On 5 June, I asked:

"is my right hon. Friend aware that there is a growing body of opinion in the Province which believes that the best way forward now is through integration, which would offer proper safeguards for the minority in Northern Ireland?"

My right hon. Friend replied, not to the question that I had put to him:

"some concept of total integration would raise difficult issues."—[*Official Report*, 5 June 1986; Vol. 98, c. 1073.]

I did not use the words "total integration". They were the words of my right hon. Friend. A week later, on 12 June, I put this question to my right hon. Friend:

"Would he acknowledge that, even if that"—

that is, devolution—

"is the preferred solution of the Government today, he will not exclude from his consideration the fact that we should govern Northern Ireland in the way in which we govern other parts of this kingdom?"

My right hon. Friend replied:

"Obviously we would seek to govern Northern Ireland as fairly, equally and impartially as we seek to govern every part of the United Kingdom. However, to suggest that that involves total harmonisation of every structure of government flies in the face of experience and practice of the present situation."

[*Official Report*, 12 June 1986; Vol. 99, c.508.]

When I remind my right hon. Friend of the two questions that I asked, one on 5 June and the other on 12 June, I think that he will confirm that I have never suggested "total integration" and that I have never

suggested what he described as "total harmonisation". I have never put forward such a suggestion. I want to spell out, in language that all of us can understand, what I mean by integration, or the alternative description of the same thing—administrative devolution. I should like my right hon. Friend to pay particular attention to what I say, as I know he will, because I want to give way to him at the end of this part of my speech.

I want to ask my right hon. Friend whether he is excluding from his consideration and from discussions with the elected representatives of the people of Northern Ireland, and from discussions with others, the possible solution that I am about to describe. That which I am about to describe is nothing new to my right hon. Friend. He was a member of the shadow Cabinet when the 1979 general election manifesto was being drafted. I have to assume that he aquiesced in, if he did not actually support, that which appeared in the manifesto:

"In the absence of devolved government, we will seek to establish one or more elected regional councils".

That is an exact quotation. Of course, the policy that was set out in that manifesto was abandoned following the assassination of our late right hon. Friend, the then Member for Abingdon, Airey Neave. My right hon. Friend is unwise to exclude from his consideration the very policy that was advocated by a person for whom everybody in the House had, and for whose memory all have, the greatest respect, yet it is precisely that which my right hon. Friend seems to be doing.

What do I mean by integration? Again, I quote from what my right hon. Friend said on 12 June, in answer to my hon. Friend the Member for Dorset, South (Viscount Cranborne):

"At present very little lies between Ministers in the Northern Ireland Office and councils, most of which sadly are not meeting, and which have little more power than parish councils."

[*Official Report*, 12 June 1986; Vol. 99, c. 510.]

Let us start at the bottom. I would give to the 26 district councils, which my right hon. Friend is right to say have little more power than parish councils, modest additional powers. That is my first suggestion.

Ms. Clare Short (Birmingham, Ladywood): Which powers?

Mr. Gow: I said "modest additional powers".

Ms. Short: Which powers?

Mr. Gow: We have been asked not to make too long a speech. I said "modest additional powers" for the 26 district councils, which my right hon. Friend rightly described on 12 June as having powers that at present are analogous to those of parish councils. So I say "modest additional powers".

That is my first suggestion. My second proposal is that there should be a regional council similar to a regional council in Scotland and analogous to a county council in England. The powers of such a regional or county council would not need to be identical to the powers of a regional council in Scotland or a county council in England.

My third suggestion is that legislation for Northern Ireland should be dealt with in this place and another place in the same way as we now deal with legislation for Scotland and for Wales.

Ms. Clare Short: It is different for Scotland and Wales.

Mr. Gow: Absolutely. That is why my right hon. Friend's use of the words "total harmonisation" is inappropriate, because we deal with Scotland and Wales differently.

Mr. William Cash (Stafford): My hon. Friend speaks about the methods of legislation in Northern Ireland as compared with Wales and Scotland, but does he bear in mind the fact that we sometimes legislate by primary legislation through public statute, and sometimes by way of Grand Committee, sometimes on the Floor of the House and sometimes in Committee? Can my hon. Friend be more precise about the sort of analogy that he would like to pursue between the way in which we legislate in Scotland, Northern Ireland and Wales?

Mr. Stephen Ross *rose*

Mr. Gow: I give way to the spokesman for the Liberal party.

Mr. Ross: What form of electoral system would the hon. Gentleman use to elect the county councils?

Mr. Gow: I shall deal with that straight away. It is not surprising that the solitary representative of the Liberal party, unaccompanied by his colleagues from the alliance, refers to his passion for proportional representation. It is to our deep regret that the hon. Member for Isle of Wight (Mr. Ross) is not seeking election next time. He will not be surprised to hear that I am strongly opposed to the system of proportional representation, whether in England, Scotland, Wales or Northern Ireland. I belong to that school of thought which believes in majority rule under just law.

I agree with my hon. Friend the Member for Stafford (Mr. Cash), and I believe it is timely to remind my right hon. and hon. Friends on the Front Bench that we deal with Scottish legislation differently from English and Welsh legislation. For example, the separate Housing (Amendment) (Scotland) Act 1981 conferred the right to buy on Scottish people which had material differences from the Housing Act 1980 which was passed through the House by my predecessor.

Is my right hon. Friend excluding from his consideration the possibility of giving modest additional powers to the 26 district councils? Is he excluding from his consideration the specific policy concerning regional and county councils, on which he and I fought and won the 1979 general election? Is he excluding the possibility of getting rid of legislation by Order in Council for Northern Ireland? If my right hon. Friend is excluding that possibility, because, as Secretary of State, he does not think it is the best way to govern the Province, and if he is excluding from his consideration the wishes of the people of Northern Ireland, that is a very grievous statement.

Sir Eldon Griffiths: My hon. Friend is aware that I agree with many of the ideas that he has put forward, but he has not dealt with one critical matter. Is he proposing, given the special circumstances in Northern Ireland, that a regional county council-type authority should also be a police authority? I fear that it could not be.

Mr. Gow: No, Sir, that is not my suggestion. It would be no part of my proposal—if my suggestions were followed—that the regional or county councils for the Province should also be the police authorities for the Province.

[Mr. Gow]

I should be deeply concerned if my right hon. Friend were to exclude, as he certainly appears to do, the possibility of integration regardless of what might be the wishes of the people of Northern Ireland. I have reason for concern. When the Anglo-Irish agreement was being fashioned, I have to assume that my right hon. Friend did care about the wishes of the minority but that he was careless—I use that word in its correct meaning—of the views of the majority. It may be that, when my right hon. Friend and some of his colleagues advised the Cabinet to enter into the Anglo-Irish agreement, he said to himself and perhaps to his colleagues, "Well, we may have a bit of trouble from some of the wilder elements in Northern Ireland but the majority of the Unionist people will acquiesce in this agreement." That may have been the view of my right hon. Friend.

In my opinion, the depth and strength of feeling in Northern Ireland on 19 June 1986 against the Anglo-Irish agreement is just as strong and deep as it was on 15 November 1985. I do not think my right hon. Friend has made any progress in persuading the people of Northern Ireland of something which I know he believes to be true — that the Anglo-Irish agreement will achieve peace, stability and reconciliation. I do not believe my right hon. Friend has been successful.

What concerned me at that time and what continues to concern me is that the Government believed that the Anglo-Irish agreement would be moderately acceptable to the majority. I have to assume that my right hon. Friend was surprised by the reaction in the Province. We know that my right hon. Friend the Prime Minister was surprised because, in an article which appeared in the *Belfast Telegraph* on 17 December 1985, as a result of an interview with Desmond McCartan, she said:

"the reaction has been much worse than I expected. One is trying to find out why."

What is my right hon. Friend's answer? Will he say that, regardless of the growing opinion which, I believe, exists in the Province in favour of what I have described as integration — not absolute harmonisation nor total integration — it could equally be described as administrative devolution — the Government know best? Will the Government impose upon the people of Northern Ireland some kind of devolution or impose upon them the present system of direct rule regardless of their wishes?

I said that I wished to give way to my right hon. Friend so that I could ask him whether he was excluding from his consideration the kind of integration that I have described. Perhaps my right hon. Friend would be kind enough to tell the House his answer to that question.

Mr. Tom King: I have listened with interest to the points that my hon. Friend has made. The conclusions which he tried to draw at the end are in total conflict with what I have just said to the House.

I wrote down his words when he said that we would be seeking to impose some new solution—some devolution proposal on the people of the Province. He will accept precisely what I have said, which is that, so far from wishing to impose a decision on devolution, arrived at separately, we wished to enter into discussions to see whether it was possible to achieve a starting point.

My hon. Friend referred to my comments concerning total integration. I have made it clear that that was not a possibility, but my hon. Friend has said that that is not what he has proposed. He said that he has never advocated total harmonisation—that is another possibility which I made clear I did not think was practicable. I have said that we are prepared to consider the possible ways in which the handling of legislation on other matters could be looked at in this House. I included a caveat about the route to integration which I believe—my hon. Friend draws his conclusions and I draw mine—would not be practical. The Government would not propose that; nor, I believe, would the House approve it.

These are important matters and my hon. Friend has made a serious speech about them. It has become clear that it is dangerous to get into the world of slogans. There are slogans about devolution and integration, and everyone assumes that they know what the other individual means. I sought to spell out the areas which I thought were unrealistic and the areas in which the Government wished to proceed.

Mr. Gow: I hope that my right hon. Friend now understands what I mean by integration, which I sometimes call administrative devolution.

This is an important debate. I hope that my right hon. and hon. Friends on the Treasury Bench will not exclude from their consideration of the options for Northern Ireland that option which in my judgment would provide both the surest safeguards and protection for constitutional Nationalists in Northern Ireland and the greatest reassurance for constitutional Unionists.

6.20 pm

Mr. Clive Soley (Hammersmith): Four years ago last Monday when my right hon. Friend the Member for Mansfield (Mr. Concannon) and I represented the Labour Front Bench on Northern Ireland we said that a Labour Government would not have introduced the Northern Ireland Bill to set up the Assembly. We did not think that it was particularly workable, but we regarded it as a fair and honest attempt to do something about the problems of Northern Ireland. We specified that we did not think its chances of success were good. Four years later the Secretary of State has tabled an order to bring the Assembly to an end. It may be that much has happened in those four years, and I recognise that the Assembly lasted a little longer than I anticipated.

The Assembly has faced considerable difficulties and some of its achievements have also been considerable. Both my hon. Friend the Member for Middlesbrough (Mr. Bell) and I gave evidence to its Committees to assist the Assembly in its work. It is important to consider why we seek to wind up the Assembly, and in doing so we come back to the central problem for the Government, which is stating their position on Northern Ireland.

As I have said on many occasions, both when I spoke on Northern Ireland and since I have moved to my Home Office brief, the problem is that everybody in Ireland, both in the north and the south, knows exactly what they want for the future of the border, but that successive British Governments have not known what they want. We now have a further difference in that the British-Irish agreement, as I prefer to call it, makes it more clear than previously that the British Government are happy to work towards a united Ireland and the Unionists know that.

Although I understand the politics that say that we must not talk about certain matters because it makes

difficult circumstances worse—I believe that that sort of politics rarely works—they are almost guaranteed to fail in this case because all the Unionists—the Democratic Unionists, the Official Unionists and all the other groups—know from the words and actions of the Government and the Labour party that the trend is towards a united Ireland. That is what makes the Unionist position so difficult.

If Unionist Members come to the House and participate, they will undermine their position. If they stay away, as they are at present doing except for the right hon. Member for South Down (Mr. Powell), they will also undermine their position. That is why the Unionist parties are tempted to take to the streets and to attack the agreement. There they find the great unifier of hatred and fear of a united Ireland.

Yet that hatred and fear is more concentrated in certain parts of the Unionist parties than it is in Northern Ireland as a whole, and I believe that in recent years that hatred and fear has become less. Ordinary Unionists in the streets of Northern Ireland will now say, "If it is going to be a united Ireland, why don't we get it over and done with quickly?" They have said to me, "Since you have explained to us about human rights and joint citizenship, I suppose there are worse things." When one asks what they mean by worse things, they say, "We can't go on as we are, can we?" There is growing recognition in Northern Ireland that the island of Ireland is being treated as one political, economic and social entity, and that at the end of that road is a nation state. That is what we are moving towards and that is what the Unionists fear and are angry about.

Today there has already been talk of the family of the nation. That frequently occurs in politics generally, but perhaps more than ever in relation to the politics of Northern Ireland. The family in this context is taken to be that of the United Kingdom — England, Ireland, Scotland and Wales. The Secretary of State got into a little difficulty, which he got out of well, when he referred to the political parties not organising in Northern Ireland. He got into some difficulty about whether the link was cultural, political or whatever. The truth is that there is a great deal of cultural overlap, not only between England, Wales, Scotland and Northern Ireland, but between the United Kingdom and southern Ireland. That has always been true, but for historical reasons, which are long and complex and which none of us would perhaps ever agree on entirely, there is a fundamentally different political system in Northern Ireland, and Ireland has been divided.

Let us examine further what we mean by a family of nations. As the Secretary of State rightly noted, there is something profoundly odd and different about the position of Northern Ireland in this family of the United Kingdom. Nothing makes that difference more clear than the insistence of the peoples of Northern Ireland, above all the Unionists, to insert in Acts and statutes over many years that Northern Ireland is part of the United Kingdom so long as it wishes to remain so.

If we pursue the analogy of the family a little further and envisage walking into our family home at night to find that one member of the family has put a notice on his door saying, "I am a member of the family too, unless I choose to go", the meaning becomes clear. It means that that member feels uncertain of his position in the family. That is why I have always said that when Unionist parties insist on that phrase being used, they undermine and embellish the weakness of their political position. That is why the family argument is so profoundly dangerous to them. It is an argument, not about families but about political power and identity and the economic problems that stem from that.

We need to begin a discussion about how we move toward a united Ireland. Let us consider how the position has changed in recent years. In 1979 when I first entered the House I did not get involved in the politics of Northern Ireland until the end of that year, and about a year later I moved to the Front Bench. Between 1980 and 1981 it was frequently said to me inside and outside the House that whenever I talked about the unity of Ireland I was encouraging terrorism. Nobody says that now. That argument has gone. Indeed, in Committee on the Northern Ireland Bill, when the right hon. Member for South Down said that terrorism fed on hope, I said that it did not, but that it fed on despair. Whether we consider the terrorism in Northern Ireland or the terrorism which I fear we are about to see in southern Africa, it is clear that terrorism is founded on despair of the political system. It has often been said that the political system of any country, for all its warts, is the alternative to war. That is how we settle our disputes. Terrorism has done immense damage to the body politic of this country and to the body politic of Ireland. It has ripped apart not just the lives of people but political democracy and the economic hopes of people on both sides of the Irish sea.

The collapse of the Assembly is an example of what I meant in the past when I referred to there being no positive power in Northern Ireland. The problem for both the Republicans and the Unionists in Northern Ireland is that their powers are negative. They can prevent things from happening but they can rarely initiate anything.

It was a little paternalistic of the hon. Member for Isle of Wight (Mr. Ross) to accuse the Unionists and the Republicans of being unable to talk together. One group wants to take away the national identity of the other. The Unionist wants to take away the national identity of the Republican, and vice versa. As the right hon. Member for South Down pointed out, if the SDP and the Liberal party cannot agree on Polaris, why on earth should we expect the two groups in Northern Ireland suddenly and relatively easily to sit down and discuss together their future, which brings into question their national identity and, to some extent, their religious identity? Religion, or nationalism tainted by religion, is a profoundly powerful force. It is far stronger than social or economic class. I say that with regret, as a Socialist. Religion has a profound effect upon the political system and upon people's lives.

There is a way forward. It is the same as it has always been. The way forward is to open up discussions with Dublin. If it is true that in Northern Ireland there is only negative power, equally it is true that positive power lies in London and Dublin acting together. What has stood out very clearly during the six years that I have been interested and involved in the politics of Northern Ireland is that it is crying out for leadership. What stands out now in Northern Ireland is splintering of the political parties, both Republicans and Unionists. The splintering of the political entity of a state—or semi-state, as Northern Ireland has been in some ways—is an indication of a lack of leadership towards a common goal.

I have said before that we think of the various parties and groups in Northern Ireland as being strongly united. They are not. They only appear to be strongly united. Even in the paramilitary groups, the image of unity is far less

[Mr. Clive Soley]

strong than we believe it to be. If we consider the number of Republicans who have been killed by the paramilitary groups on the Republican side and the number of Unionists who have been killed by the paramilitary groups on the Unionist side, we find that in each case the number is greater than those who have been killed by the security forces. Imagine how strange it would seem if I said to the House that during the second world war the British armed forces killed more British people than were killed by the Axis forces. It would be nonsense. The internal splintering tells us so much about what has happened to politics in Northern Ireland. They are being ripped apart and they will continue to be ripped apart until London and Dublin provide strong leadership.

One of the reasons for my qualified welcome of the British-Irish agreement was precisely because it started out on that road. It is an important road. I regret that the Government were not more open about it. Instead they fed paranoia. Paranoia abounds in Northern Ireland. People fear being sold out.

The Secretary of State rightly referred to the comments of the hon. Member for Upper Bann (Mr. McCusker) who, at the time, expressed his concern about the agreement. I remember that the hon. Member for Upper Bann also said, when the agreement was announced, that if he had known that this was at the end of the road he would never have led his people to believe that the British Government would not betray them. Those were not his exact words, but they are very near to being his exact words. He was saying that the Unionists now know that the British will sell them out.

I do not like the word "sell-out". I remember that over and over again the Unionists said that they believed that they had cemented their place in the union. Why did they refer to the role of Northern Ireland during the first and second world wars? Why did they refer to the blood of men in the Northern Ireland regiments that had been shed during the first world war in the battle of the Somme? It was because they believed that they had cemented for themselves a place in the heart of their mistress. Alas, 50, 60 or 70 years later their mistress is doing exactly what she did then. She is saying, "All right, up to a point, but keep your distance. We will never, ever treat you as a normal part of the United Kingdom because you are not a normal part of the United Kingdom." That is why the Unionists feel so deeply betrayed.

However, people can change their political identity, and fit into new structures and new institutions. This House has the ability to bring that about, but only if the question is discussed openly. One of the reasons for my sadness about politics in this day and age is that people believe that we should not discuss difficult questions because they lead to arguments and fights. However, it is essential that we should discuss difficult questions. What everybody recognises as a difficult and unanswered question will not go away. It will stay there, and will continue to nag at us and aggravate us.

My right hon. and learned Friend the Member for Warley, West (Mr. Archer) said that in many areas the economic, political and social systems of the north and the south could be integrated. He was quite right. I have mentioned many of them in the past. I have referred in particular to agriculture, because a large part of the economy of both the north and the south is founded on agriculture. The potential for the integration of food processing, biotechnology and education is very great. Colleges and universities in the north have spare capacity, whereas the south is looking for student places. There are so many areas in which integration could be expanded and built upon. In doing so, we should bring the people of the north together with the south. We should also increase and improve the link between Britain and Northern Ireland. That link is being forced further apart by the divisions within Northern Ireland. British failure to resolve our position in Northern Ireland has led to strains between Britain and Northern Ireland, although they are two nations which ought to be, and which historically have been, very close. That link must be rebuilt.

Finally, we must look at the position in which we now find ourselves by our failure to address the Northern Ireland problem since the division of Ireland in the early part of the century. More than 2,000 people have been killed and thousands have been injured. The lives of their families have been ripped apart. The economy of Ireland, in particular Northern Ireland, is under-developed at best and in tatters at worst.

Let us consider what we have done to our own democracy. As a result of the passing of the Prevention of Terrorism Act 1974, for the first time since the medieval period a member of the Government has the power to exclude a person from one part of the United Kingdom. That has not been known since medieval times in Britain. Also, we have to walk into the House of Commons through various screening devices. There are wire fences around the House of Commons. People have to be searched. This change has been brought about during the last eight or nine years. It has had an effect on the legislation that is passed by this House. Look at what the Northern Ireland (Emergency Provisions) Act 1978, which we shall be renewing again later tonight, has done to our reputation overseas. This House, which is the model for democracies around the world, has allowed, because it has failed to address so many of the problems that have arisen due to the division of Ireland, its democracy to be undermined to the extent that Britain has been found guilty before the European Court of Human Rights on more occasions than any other European country, and many of those convictions have been the result of problems or convictions stemming from Northern Ireland. There is a way forward. The people of Northern Ireland are much more able and willing to move than we think. We need to give them leadership and to recognise that that leadership has to come from London and Dublin.

Several Hon. Members *rose*——

Mr. Speaker: It may be convenient for the House to know that the Front Bench will seek to catch my eye at 7.20. A number of hon. Members wish to take part in the debate and perhaps they would make their own calculations.

6.40 pm

Mr. Michael McNair-Wilson (Newbury): Inevitably, this debate is a post mortem about the Assembly and, to some extent, it is also a post mortem about all the other initiatives that the Government have taken since 1972 in their attempt to find a political working arrangement for Northern Ireland. On looking back, it may be seen that the

easy suspension of Stormont was one of the worst mistakes made about the government of the Province during all the years that it has existed as part of the United Kingdom.

It behoves all of us to ask ourselves why each of the initiatives has failed and failed so dismally. I do not suppose there is any one answer and certainly some of the speeches from Opposition Members are pertinent to those failures. The attempt to bend democracy that we first saw in the Northern Ireland Assembly Act 1973 and the creation of a power-sharing executive never really enjoyed the full-hearted support of the majority in Northern Ireland. That executive finally foundered as a result of the Sunningdale conference and the setting up of an All-Ireland Council. Those things showed that the attempt to force democracy to work because it seemed the most politically apt way to approach the problem was not likely to produce the results that we wanted.

The idea of power sharing has always remained somewhere in the Northern Ireland Office and it came alive again in 1982. The then Secretary of State for Northern Ireland, my right hon. Friend the Member for Waveney (Mr. Prior), believed that even if power sharing was a phrase that he dare not use—I am sorry that the hon. Member for Foyle (Mr. Hume) is leaving the Chamber because I shall refer to him in the course of my speech.

Mr. Hume: Very well, I shall stay.

Mr. McNair-Wilson: Nevertheless, my right hon. Friend the Member for Waveney thought that he ought to seek something that looked like power sharing, and he decided to do it by introducing an Assembly that could devolve powers to itself, the powers that Stormont had once discharged, if 70 per cent. of the members of the Assembly gave their assent. He knew and the hon. Member for Foyle knew that that depended upon the presence in the Assembly of the hon. Member for Foyle and the other members of his party. They would have to be in the Assembly if the Assembly was to be effective.

I give full credit to the hon. Member for Foyle because he made it clear to my right hon. Friend the Member for Waveney that he would have nothing to do with that Assembly and that he did not intend to take the members of his party to it, though he would fight the elections. That meant that the Assembly with its 70 per cent. veto—for that is what it was—would never have devolved powers because the hon. Member for Foyle did not choose that that should happen. No doubt he took that decision for good political reasons because, like the rest of us, he is a party politician and knows where his political muscle comes from. I do not criticise the hon. Gentleman for that because every hon. Member knows about these things. He knew that if he joined the Assembly he would not improve his political standing in the Province. By the same token, in order to improve his political standing, he stayed out of the Assembly.

There was another thought in the hon. Gentleman's mind, and I hope that he will forgive me because I am reading his mind. He may tell me that I am talking nonsense but that is his prerogative. The other thought in his mind was that the Assembly was not what he was after anyway. He liked the idea of an Irish dimension and looming into his sights was the concept of the new Ireland forum and the possibility that somehow, unbelievably, the Government of the Republic could be brought into a dialogue with Her Majesty's Government. It was an ambitious project and to set the Assembly beside it in comparison was to set a minnow beside a whale. He set about his task, and brilliantly achieved his objective. I give him full credit for that because he pursued his political aims and did what any one of us would wish to do—he achieved a remarkable political victory.

Mr. Hume: I am listening with interest to the hon. Gentleman's speech. He does not need to read my mind because I can tell him clearly what the position was. Ten years is not a very long time in a place like Northern Ireland. I remind the hon. Gentleman that during the 10 years before 1982 three attempts were made to devolve powers to Northern Ireland, and they were all based on fundamentally the same approach by a Government in this House. That approach was, essentially, power sharing acceptable to both sections of the community. Those three attempts all failed.

The most recent attempt was in 1979 and it was made by the right hon. Member for Spelthorne (Sir H. Atkins) who was the Secretary of State for Northern Ireland. At that conference we said to the Unionist parties, "Since you say power sharing does not work and will lead you into a united Ireland against your will, we will agree to it for the life of two Assemblies in order to demonstrate both points of view." They said, "There are no circumstances in which we will ever share power with you." Three years later another Secretary of State decided to do the same thing.

What sort of credibility would we have had with the electorate if we had accepted the same guidelines that we accepted three times in the previous decade when they were brought in for the fourth time? We said to the Secretary of State, "If you can get the Unionists to accept your guidelines this time, we will become involved." The Unionists rejected the guidelines before the Assembly election took place, thereby making it clear that the Assembly would not work. What did we do? We did the intelligent, honest, political thing and asked, "Why are they saying no? They said no because they were afraid of a united Ireland destroying their heritage. We then turned to the parties in the Republic and said, "Join us in showing that our future for Ireland threatens no one."

We followed the logic of the situation in which we found ourselves and we do not apologise to anyone for that. As the hon. Member for Newbury (Mr. McNair-Wilson) rightly says, the position that we find ourselves in today arises because of that, because we are facing up to the reality of the problem, which is about the interlocking relationships between the peoples of these islands and not just about the relationships in Northern Ireland.

Mr. McNair-Wilson: I am grateful to the hon. Member for Foyle for making such a powerful intervention. I respect him for that and, as I have said, I respect him for his political ability. I think he would have to agree that, despite what the hon. Member for Hammersmith (Mr. Soley) said about the Unionists not sharing power in fact, they have worked for power sharing. They did that in 1973 when they helped to set up the power-sharing executive. Mr. Brian Falkner led that executive, and they worked for power sharing again in 1982 when they and the Alliance party went to the Assembly. The hon. Member for Foyle and his party did not go.

Mr. Hume: For a very good reason.

Mr. McNair-Wilson: The hon. Member for Foyle says that it is the Unionists who have held up power sharing. I differ with him on that. He made his political judgment and decided that going to the Assembly did not suit his book. By creating the Anglo-Irish agreement at Hillsborough he must have known that he was carrying out the final act, giving the coup de grace to the Assembly, because once that treaty was in place the hon. Gentleman had created something else. He had created a new imbalance in Northern Ireland politics and, inevitably, that has led to the withdrawal of the Unionists from this House, and from the Assembly.

In his moment of triumph, when the Hillsborough agreement was signed, the hon. Member for Foyle could have taken an opportunity to give new strength to the Assembly and to the concept of community government in the Province. He could have led his supporters back into the Assembly, and, even if he did not agree with the Assembly as it was, he would have shown his willingness, having won his great victory over the Anglo-Irish agreement, to work for a community government in Northern Ireland. The hon. Gentleman did not choose to do so. Perhaps he was on a political high of a sort that few of us will ever experience. I do not want the hon. Gentleman to think that I am accusing him of doing something that was wrong, for I am accusing him of bad judgment. Whatever is the case, he has sentenced the Assembly to death and each one of us to thinking again about the political future of the Province.

Mr. Hume: Did the hon. Member attend the debate on the Anglo-Irish agreement? I made a clear and specific offer, and in every week since I have repeated it, to the Unionists, to sit down and discuss devolution in Northern Ireland without preconditions. I want to spell out to them in detail how we see the future and I want to hear from them what they see in our view that threatens them and, for the first time, how they see the future—I know how they see the past.

Mr. McNair-Wilson: I was at the debate. I interrupted during the speech of my right hon. Friend the Prime Minister, and I sat here for two days but, sadly, was not called. However, I had the pleasure of listening to the hon. Gentleman. He knows that the Anglo-Irish treaty is fatally flawed. He knows that it cannot work effectively without the involvement of the majority community in the Province. He knows that, because that majority has never been consulted about the agreement, it is not exceeding its rights in saying that it will not work with it. It is doing no more nor less, I suspect, than the hon. Gentleman and his supporters would have done if they had been left out of an agreement of that gravity about their future.

Because of the flaw, each of us has the responsibility to try to find a way to put back that which was taken away. It is inevitable that, however important we may consider the Anglo-Irish treaty to be—no one would like to see it work more than me—we have to get those round-the-table talks. If the price of getting them is to set the treaty to one side for six months or whatever, then it is not too high a price to be paid. Nor is it impossible to do so. By the Vienna convention on treaties of 1971, articles 57 or 61, it is possible for a foreign country to set a treaty to one side or suspend it.

I hope that my right hon. Friend the Prime Minister, or my right hon. Friend the Secretary of State, will discuss this matter with the Taoiseach and say to him that, in our view, a community government in Northern Ireland that represented all the strands of that society would be a greater political gain than an Anglo-Irish treaty that we cannot enforce and that carries with it the seeds of strife, bitterness and violence stretching into the future.

I agree with all those hon. Members who have said that, in the end, Northern Ireland must govern itself. That is as it has to be. No English Secretary of State representing an English constituency can govern a province when his own party is not represented in it. Nor can those who come from Northern Ireland ever expect to have powers in this House. They cannot. It has been said, and I know it is true because I have worked and served in Northern Ireland, that it is a place apart. Its politics are different from those in the rest of the United Kingdom. But it is possible to create a community government, albeit with Westminster making the laws. If the treaty were set aside for six months or nine months — not an open-ended period — then political leaders such as the hon. Member for Foyle and the right hon. Member for South Down (Mr. Powell), and perhaps the Church leaders, could come together and realise that this is their chance to create something that would work, not something imposed by Westminster but something agreed among themselves. That gamble would be worth taking and I suggest to my right hon. Friend the Secretary of State that that is the line that the Government should take.

6.55 pm

Ms. Clare Short (Birmingham, Ladywood): Various hon. Members have asked why all the constitutional initiatives that have been taken since 1969 have failed. Others have tried to suggest new constitutional initiatives, be they integration, partial integration or some version of the local government structures that we have on the mainland. With respect to the hon. Member for Newbury (Mr. McNair-Wilson), his approach and that of all other hon. Members fails to take account of the lessons through which we have lived in Northern Ireland's recent past.

No constitutional mechanism and political structure will civilise Northern Ireland, bring equality to its people, make it a reasonable place in which to live or cause both communities to be able to live well together, unless there is a will to that end. Unfortunately, there is not that will in the Unionist community, which is why there has been continuous failure. They want domination, not equality. They do not want an end to discrimination or the equal provision of the local government services to which all people should be entitled. No constitutional dream or aspiration put together by the most clever constitutional lawyer in the world could put in that good will if it were not there. It is now clear to most hon. Members and to the people of Britain that Northern Ireland will never work because that good will is never there.

We have a new era. The people of Britain are completely exasperated. That feeling is reflected among hon. Members, who speak less openly in the Chamber than they do elsewhere about the exasperation with the Unionists, Northern Ireland and the way in which they are behaving. The people on the streets and buses speak more and more openly and their feeling is reflected in opinion polls. It is a growing and mounting feeling that Britain is doing no good in Northern Ireland and should get out because it is a waste of time, resources and lives. The British people do not want us to stay there any longer.

The Anglo-Irish agreement is and will always be an enormous historical turning point. Historians will see that clearly. The Unionists are right to say that, inevitably, the agreement will lead to an united Ireland. Their behaviour, their intransigence, their unreasonableness, their unwillingness to work with the agreement, have pushed the British people around that historical corner into a determination to withdraw from Northern Ireland.

Northern Ireland could have worked, following partition, if the Unionist community had behaved differently. Of course the Republicans did not want to see their country partitioned, but if there had been equality and not discrimination, and if Catholics and Protestants could have lived side by side and respected each other and their cultural and historical differences, things would have been different. People can live like that within the rest of Britain—that is the experience of my life. I come from a Catholic family that originated in South Armagh but I grew up in Birmingham and experienced full equality in a way that my cousins who still live in Northern Ireland could not.

Northern Ireland might have worked. Its people might have said that they were happy with the border, or equally the border might have faded away because the Unionists did not need it, because the two communities lived so happily in the north. Similarly, the Anglo-Irish agreement could have worked for the purposes for which the Government intended it—to help Northern Ireland to survive longer and to help generate co-operation and respect between the two communities. But the Unionists would not have it. They will not use any proposal that comes from the politics of Great Britain, to which they claim to be loyal. Each time their intransigence comes out; they say no to everything. They want to destroy every structure and every proposal. There can be agreement only if they are willing to give equality and respect to the massive minority community constituted by the Nationalists in Northern Ireland.

Mr. David Winnick (Walsall, North): Therefore, does my hon. Friend agree that the concluding remarks of the hon. Member for Newbury (Mr. McNair-Wilson), whose speech I listened to with much interest, are not realistic? He said that, if the Anglo-Irish agreement were suspended for six or nine months, the parties in Northern Ireland, and perhaps the Church leaders, might reach agreement, without it being imposed from Westminster. Have not years of history and experience shown that that is not possible? There is no way in which the Unionist and Nationalist parties will reach agreement, for reasons that my hon. Friend has been explaining. Therefore, does she agree that the agreement was an advance and should be maintained, and that in no circumstances should the Government give way on it?

Ms. Short: I agree with my hon. Friend that, if the suggestion of the hon. Member for Newbury were followed, it would be a complete disaster for Northern Ireland because Unionist intransigence and unreasonableness would have been victorious once again. The lesson it would teach the Unionists is that they should always be unreasonable and intransigent, that they should never give an inch, that they should never give respect or equality to the other community, and they will always win. I am afraid that that has been the experience of their history. They have to learn that it will not win. They must be faced down. I think that that is happening and that they are learning a bitter historical lesson that they will not get their own way this time, that the British people will not back off, and that they have to face up to the fact that they will not get their way again.

Mr. Michael McNair-Wilson: If the hon. Lady has not already done so, she should read the report of the Northern Irish Convention to discover how much common ground there was among Unionists, the SDLP and the Alliance. She will be surprised. She will find that her speech is unbelievably prejudiced.

Ms. Short: The hon. Gentleman now resorts to abuse. I respect the sincerity with which he made his speech, but his reading of history and of experience in Northern Ireland is wrong. I have explained why. If he simply wants to abuse me, it is no use my seeking to answer his point.

Mr. Mallon: In the interests of honesty and accuracy, I must point out that there cannot be equality, which is the real basis of what the hon. Member for Newbury (Mr. McNair-Wilson) has been saying, unless there is justice. The process of justice in the north of Ireland is not in the hands of the Unionists but in the hands of this Parliament. If we want equality in the north of Ireland, we must get it through the process of justice. It is on the Floor of this House and this Parliament and Government that we look for justice. Let us not blame the Unionists for that, although there is plenty for which we can blame them.

Ms. Short: I do not agree completely with the hon. Gentleman. The problems about the lack of justice and equal treatment before the law arise partly because some people in Northern Ireland are willing to use force to advance their political views. Their willingness to use force arises from the discrimination and inequality with which that community has been treated. I agree with the hon. Gentleman that many reforms are overdue and could be made by the House, but the whole answer does not lie here. Part of the problem that the House faces in Northern Ireland arises from the attitude of the Unionist community.

I want to put on record clearly my reading of the current situation; I believe that history will vindicate this reading. The absolute unreasonableness of Northern Ireland Unionism, shown clearly over the Anglo-Irish agreement, means that from now the determination of Britain to withdraw from Northern Ireland will grow. I think that most hon. Members know in their hearts that that is right. When we seek new structures we must bear that in mind. We must look for structures that can lead to co-operation between North and South and among all the communities of Ireland. Britain is pouring resources into the Army, the building of prisons and the employment of more and more policemen and prison officers. Those resources could be poured into building creative things that would make a better new Ireland and create jobs and services for all the communities. We should move as rapidly as we can to the construction of constitutional opportunities for that new Ireland to be built.

The real answer that will bring lasting benefits to all the people of Ireland is that new Ireland without Britain where the people have to live together in equality. I believe that it is coming soon because of the way in which the Unionist community in Northern Ireland has exposed itself to the British people so clearly in recent months.

7.6 pm

Mr. Henry Bellingham (Norfolk, North-West): I am grateful to you, Mr. Deputy Speaker, for calling me in this important debate. It is a pleasure to follow the hon. Member for Birmingham, Ladywood (Ms. Short). Although I admire her sincerity, I do not share her vision or her analysis, particularly of the Unionist intransigence, as she called it.

I regret the disorder. Had I been here at the time, I believe that I would have voted for the original legislation. I regret that we are debating the order because it means that the Assembly has failed. The order was inevitable because the Assembly was being abused. In those circumstances, it was pointless to continue it, but it was not a total failure. As the Secretary of State pointed out, in its scrutiny capacity it achieved a certain amount of success, with 75 per cent. of its recommendations being accepted.

One reason why the Assembly failed was the failure of the SDLP to participate in it. To give the SDLP its due, its members always made it clear that they would not take their seats. My hon. Friend the Member for Newbury (Mr. McNair-Wilson) suggested that the SDLP should have gone into the Assembly post agreement. That would not have been realistic when the Assembly was being abused by other Members and was being hi-jacked for political protest. In those circumstances, I do not think that anyone could have expected SDLP Members to take their seats, so one cannot blame them for that.

I was heartened by the remarks of the hon. Member for Foyle (Mr. Hume) on 12 June when he said that he wanted to sit down to talk about devolution. I was heartened also by the remarks of the hon. Member for Newry and Armagh (Mr. Mallon) in reply to my intervention. I believe that the hon. Gentlemen want to participate in devolution. When a new order is brought before the House to give effect to new elections, there may be a possibility of the essential prerequisite of all-party agreement on participation in the Assembly. Having heard what the hon. Gentlemen have said, I think that there is every possibility of them agreeing to go into an Assembly in the future.

There is scope for a new order. Do we want to resurrect the Assembly? I have always been in favour of devolution. I have always been suspicious of total integration and even of integration such as was talked about by my hon. Friend the Member for Eastbourne (Mr. Gow) because that approach would irretrievably alienate the minority in the North.

My preferred option has always been one of devolution. Northern Ireland has had devolution for the best part of five decades. It has not worked because there has not been the necessary element of justice or power sharing within it. But there is scope for devolution. I believe that that is the only way to involve the minority in public life in Northern Ireland.

The right hon. Member for South Down (Mr. Powell) talked about Unionist intransigence over home rule earlier in the century. It is ironic that were it not for that Unionist intransigence—the minority intransigence—there would be a united Ireland with home rule within the United Kingdom. Many Conservative Members have that dream. I should like to see a united Ireland. However, it would be a different united Ireland from that envisaged by the hon. Member for Ladywood. I should like to see a united Ireland governed by Dublin with some form of home rule in Belfast. It would be a united Ireland with some form of loyalty to the Crown, perhaps as a dominion, certainly within NATO. That is why the devolution argument is so important. I believe that it is the only way forward. The only way the Unionists in the north would ever accept a united Ireland would be if that essential attachment to the Crown were retained in some form.

The Anglo-Irish agreement is the key issue; indeed, it is the only issue. Like my hon. Friend the Member for Newbury, I visited Ireland recently. One of the things that struck me, as it struck my hon. Friend, was the deep sense of betrayal, outrage and dismay. I sensed it in moderate, sensible industrialists—ordinary people from all walks of life. I came across it also at 1 o'clock this afternoon when I met the Minister of State and a party of industrialists. These moderate, sensible industrialists, who are at the sharp end of wealth creation, spoke about betrayal in a way they have not done before. They feel strongly about the agreement, but they feel even more strongly about the fact that they were not consulted before it was reached. I am reminded of a quotation from Hosea, chapter 4:

"My people are destroyed for lack of knowledge: because thou hast rejected knowledge, I will also reject thee".

I believe that the cardinal mistake made by the Government whom I support was that they did not consult beforehand.

The Secretary of State made it clear that the Government will not renege on the agreement. Therefore, we must go forward on the basis that the Government will stand firm. I believe that there is only one way forward for Unionist parliamentary representatives. They must return to Westminster. I was heartened by the remarks of the hon. Member for Newry and Armagh in that respect. They have a good case to argue, but they are not here to present it. The Prime Minister invited them to come and talk about devolution and the way forward for Northern Ireland. She invited them to discuss the future of the Assembly, but they turned down that offer. She invited them to talk about the conduct of Northern Ireland business in the House. That invitation was confirmed only a few hours ago by the Secretary of State. The Secretary of State would like to see major changes. I should like the Under-Secretary of State to give us more details of what changes he wishes to see. Condemning Northern Ireland business to the early hours of the morning, incredibly anti-social hours, as happens now, is not heartening or encouraging.

We must face up to reality. I believe that there is a chance that the agreement can be absorbed into the democratic process, because the Government in power now are different in character from the Government in power in 1974. At that time, a new Government, with a small majority, came to power. The will to persevere just was not there. Today, the position is quite different. We have an extremely determined and strong Prime Minister. She will not give in.

Ms. Clare Short: She is on the way out.

Mr. Bellingham: I doubt that.

Another reason why I do not think that all hope is lost in terms of absorbing the agreement in the democratic process is that it provides an incentive to all politicians in Northern Ireland. Article 4 makes it clear that if there can be devolution in Northern Ireland, on a basis which secures widespread acceptance throughout the community, the role of the intergovernmental conference will be

reduced, and certain functions that it is considering will not be apportioned to it. There is an incentive to make devolution work. I believe that Unionist politicians will see that there is an incentive to get devolution going.

There is another reason why it is in the interests of Unionist politicians to make the agreement work. There has not been much discussion about that, although there will probably be some later on. I refer to security, especially cross-border security. If it becomes apparent to the vast majority of Ulster people that there is progress on the security front and in the fight against terrorism, and if the people of Northern Ireland see that two of the factors in the progress are the agreement and the enhanced co-operation between the two Governments, a great deal of pressure will be placed on Unionist politicians. Last Thursday's events were a move in the right direction.

I am pleased that the Secretary of State was able to say that the talks that took place that Tuesday represented a significant landmark in co-operation. He said he was satisfied that we are embarking on a policy of much closer co-operation than there has ever been between police north and south of the border. Those are brave words if they are not true. I believe that they are true. From meetings which I have had recently with the RUC, I know that there is every indication that there has been a significant move in the right direction in the crucial fight against terrorism—against the enemy of all Ireland.

I say to the hon. Member for Foyle, before he leaves the Chamber—it is the second time he has been on his way out, to where I do not know—that Conservative Members feel that there is a need for his party to promote full-hearted support for the security forces in the minority community. Anything that he can do to boost the confidence of those security forces would be welcomed. That is probably what he intends to do. However, some assurances in that direction would be welcome. They would be welcomed by hon. Members who supported the agreement and those who have supported his conduct in the House over the past year or so. I ask the Minister whether he has any evidence of an increase in the commitment by the Republic Government in terms of resources for border security and border effort. I should be grateful if he would respond to that.

I recognise the pressure on our Unionist colleagues. Recently, at a meeting with a member of the Democratic Unionist party, I pointed out that the patience of my constituents was wearing thin and that I strongly believed that the word "loyalist" was being abused. He said, "Do you really expect me to put a noose around my neck just to put a smile on the faces of your constituents?" I know that the hard men are lurking in the shadows and the pressure that Unionist people are under. Surely the place of that member of the DUP is here at Westminster, so that he can put his case.

For example, during the crucial run-up to the decision on the Ministry of Defence contract for the auxiliary oiler replenishment vessels, where were the Belfast Members of Parliament lobbying Ministers and their fellow Members? They were not here. Where did their constituents want them to be—in Belfast demonstrating and protesting, or here in the corridors of power? I say to them, "For goodness' sake, you have a case to put. You cannot go on saying that the agreement is simply the result of terrorism succeeding." If they say that, how can they expect my right hon. Friend the Prime Minister to give in to another form of blackmail? That argument flies in their faces. Their place is here. I urge them to return here and to argue their case with us.

7.21 pm

Mr. Stuart Bell (Middlesbrough): I would not wish to follow the hon. Member for Norfolk, North-West (Mr. Bellingham) throughout his arguments, but I am sure that the House has taken note of his last comments on the absence of Unionist Members of Parliament, with the exception of the right hon. Member for South Down (Mr. Powell).

One page of what I think is the last booklet from the Unionist camp—"Why Unionists Say No"—includes a quote from "The English Constitution":

> "The moment we distinctly conceive that the House of Commons is mainly and above all an elective assembly, we at once perceive that party is of its essence . . . party is inherent in it, is bone of its bone and breath of its breath."

I wonder why the Unionists would wish to quote such an important man as Walter Bagehot in relation to the House of Commons yet not take their seats here.

This debate has been one of the most interesting that I have heard in the Chamber in the past three years. It has highlighted the fundamental problem that faces the Unionist camp in Northern Ireland. That problem was amply reflected by the speech of the hon. Member for Eastbourne (Mr. Gow), who sought to draw the Secretary of State on matters such as the administrative devolution of Northern Ireland and total integration. When I was a younger lawyer, we talked about negligence and gross negligence. A famous judge once said that they were both the same, except one had the epithet added. I surmise that the difference between integration and total integration is about the same.

We have not heard a great deal about an independent Northern Ireland, which is surprising. That proposal has been gathering pace in certain quarters, and I shall, therefore, not devote too many of my remarks to it. The difficulty faced by the Unionist leaders is that they seem not to be able to face up to the reality of the community in which they live. They cannot shed the vestiges of a colonial past. Because the Unionists cannot define a common line or goal, it is hardly surprising that the British public cannot understand what the Unionists want within the framework of the United Kingdom. The hon. Member for Norfolk, North-West touched on that aspect when he referred to one of his constituents.

The Unionists, in their own peculiar context, have created, if I may use the phrase from the World cup, "space and movement". It is a space into which others are likely to move in order to fill the vacuum. The movement in this country is, as my hon. Friend the Member for Birmingham, Ladywood (Ms. Short) said, away from a belief that Northern Ireland has anything to do with the rest of the United Kingdom.

If I may interpret the Unionist position, it is essentially one of hostility to the Anglo-Irish agreement. That hostility is so irrational that, in the end, Unionism has punished itself. Bernard Shaw once said "If your face is dirty, you wash it; you don't cut off your head." The Unionists appear to have lopped off their heads without even looking into the mirror. They have set aside the Catherwood proposals, by which they set great store. They have wound up the devolution committee of the Northern Ireland Assembly. They have declined further to scrutinise

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legislation that comes before the House by way of Orders in Council. The Secretary of State referred to that work, saying that 75 per cent. of the Assembly's recommendations had been agreed by the House and by the Government. We feel that the Secretary of State might be somewhat beleaguered in his position on the Treasury Bench, but he has told the House and the country that he is an avowed Unionist. Even as early, or as late, as last November, he was urging the Unionists to make full use of the Northern Ireland Assembly. He told a meeting at Cambridge university that the Assembly was one of the best ways in which the Unionists could continue to have their views heard in London. That advice went unheeded. Apparently, the Unionists have not heeded the advice that he gave on 12 June to the House when he urged

"the Unionist parties to return to this House to argue their case and to take up the offer of . . . the Prime Minister to discuss . . .devolution . . . a round table conference; the future of the Assembly; arrangements for handling Northern Ireland business at Westminster". — [*Official Report*, 12 June 1986; Vol. 99, c. 505-6.]

The hon. Member for Eastbourne made cogent and well-constructed arguments when he challenged the Secretary of State to say what he thought of devolution, regional councils, and so on. The right hon. Gentleman told the House tonight, as he did on 12 June, that there could be talks without preconditions. I always understood that "talks without preconditions" meant exactly what it said. The Secretary of State clearly said that there can be no way forward for Unionists in Northern Ireland or for Northern Ireland on the route of integration. We welcome and support that statement.

The House must ask itself in these circumstances and in view of the Unionists' position why the Unionists have turned their backs on the proposals of Sir Frederick Catherwood who, when he published the last report of the devolution committee, made a call

"To open negotiations on structures for devolved government on these bases and to consider practical amendments to the Northern Ireland Act 1982."

The bases to which he referred were devolved Government with a committee system, an executive and a Bill of rights —all, of course, built on a Unionist majority of some 70 per cent. in the Assembly. The only novel feature in a proposal which effectively would have meant a return to majority rule, devolved Government — in other words, "back to the future" — was a proposal to allow the Judicial Committee of the Privy Council to sit in judgment on any measure which the minority community might think discriminatory.

Of course, that was a Freudian slip by Sir Frederick. We have long held the view that Northern Ireland is our last colony. It has been a colony with its own Parliament and governor, its own right to raise taxation, where Great Britain was responsible for external defence and for an annual subsidy to supplement public expenditure, but where this Parliament had no say in its internal affairs.

It was a colony unique in British history which had the right to send 12 Members of Parliament to Westminster, but they played no role here, participated in no Government, answered no questions on behalf of their constituents and put no questions to Ministers because their Government was elsewhere across the Irish sea. They had their Government in Northern Ireland. They simply exercised a watching brief, ensuring that Unionism was not eventually subjected to those pursuing the course of a united Ireland.

Mr. J. Enoch Powell: As a matter of fact, under the Government of Ireland Act 1920 the House had full and unrestricted powers of legislation in Northern Ireland. The House did not exercise its rights and duties in respect of Northern Ireland for many decades because of a ruling of the Chair that it ought to be treated as if it were a dominion. That was not the consequence of the constitution of 1920.

Mr. Bell: The right hon. Gentleman, with his knowledge of history, will know that a Privy Council decision in 1924 on the boundaries between North and South was interpreted in the House as meaning that the House had no responsibility and would not discuss legislation as it relates to Northern Ireland. That continued until 1969.

I shall briefly return to the proposals of Sir Fredrick Catherwood, which said that the Judicial Committee of the Privy Council, the one to which I have just referred, had to be the final arbiter in matters which might relate to discrimination in Northern Ireland. If those proposals had been accepted, we would have placed Northern Ireland back into the context of a colony in the same position as other colonies and former colonies which still refer to the Privy Council as a final court of appeal.

We are not entirely sure who buried the Catherwood proposals. Have they been lost under the weight of the Anglo-Irish agreement or have they been jettisoned by the Unionists themselves who are turning away from the concept of a devolved Government? If they are turning away, how sincere were they in their document "The Way Forward" which was a Unionist response to the proposals in the All-Ireland Forum? That document stated:

"The Ulster Unionist Party takes the view that some form of devolved Government is necessary for Northern Ireland. In only one part of the United Kingdom, namely Northern Ireland, are major services subject to no real democratic control."

That commitment has apparently been washed out to a sea of lost opportunity by the Unionist reaction to the Anglo-Irish agreement. The Unionists are wont to rely on the so-called justice of their cause. My hon. Friend the Member for Ladywood referred to that. That means that having had their way in the past they will be able to have their way in the future, to turn their back on history, the lack of consensus in Northern Ireland and the continuous and continuing erosion of civil liberties within a minority community. To continue with the sea metaphor that I used earlier, King Canute could not turn back the tide, and he never believed that he could. He simply went down to the beach to prove his advisers false. The Unionists can no more turn the tide to a recognition of minority rights any more than King Canute could. They should accept the Anglo-Irish agreement and stop trying to reverse what has already come about.

I wanted to speak about an independent Northern Ireland. That concept has been floated. It was looked at by the national executive committee of the Labour party in 1981. No one was particularly interested in it at that time. The consequences of such a possibility are so remote that perhaps I should not go into it now. Essentially, an independent Northern Ireland would mean the creation of a non-viable state. A majority for such a state would not

be found within the six counties because two of those counties, Tyrone and Fermanagh, are already Republican in their majority. The forbearance of those in the north who consider themselves part of the Republic would be overstrained by the creation of an independent Protestant state and it could hardly be considered to be in the national interest of Great Britain.

How could an independent Northern Ireland exist economically? In this important debate it is necessary to lay to rest the prospect that somehow there could be an independent Northern Ireland, dependent, nevertheless, on our country which puts in about £1,500 million, inclusive of social security payments. Therefore, I doubt whether that concept will go far.

We have to treat the concept of integration seriously, and I believe that we do. On that matter I refer to the remarks of the right hon. Member for South Down. He has long put forward a view of integration with the rest of the United Kingdom. He has an able and, if I may say, powerful supporter in the hon. Member for Eastbourne. The right hon. Member for South Down has been representing a Northern Irish constituency since 1974. In that time he has sought to bridge the gap in Unionist thinking whereby they wish to return to the Stormont days of the Protestant ascendency and also insist that they are an integral part of the United Kingdom. They remind me of Marie Antionette who, being apprised of the fact that the peasants had no bread, suggested they might try brioche. With the utmost respect to the right hon. Member for South Down, the general Unionist proposition is one of having both bread and brioche at the same time, that is to say — to borrow a phrase that has been used tonight — having administrative devolution and total integration at the same time, or, in my words, it means wishing to be treated as a colony and as a part of the United Kingdom.

The right hon. Member for South Down has taken the view that in order better to preserve the Protestant ascendency there should be full integration of Northern Ireland with Great Britain. He wishes to take a series of steps forward so that that aspect of Northern Irish rule can be continued while at the same time there can be integrity of Northern Ireland with Great Britain. Tonight we heard the proposals of the hon. Member for Eastbourne who was seeking to put forward solutions which would harmonise that idea of integration at the same time as the idea of devolution.

The right hon. Member for South Down has protested in the past at the way in which we have handled our Northern Irish legislation. That has come up on a number of occasions. My right hon. and learned Friend the Member for Warley, West (Mr. Archer), in private meetings last year with the leadership of the Unionists, proposed that we should move towards altering the treatment of this legislation. Those discussions were an early victim of the Anglo-Irish agreement because they did not get very far.

There is some seduction in the view of the right hon. Member for South Down because, for as long as Northern Ireland remains a part of the United Kingdom—it has remained so since 1921 notwithstanding the multitude of aspirations for Irish unity—for as long as there is direct rule from Westminster, as there is for Wales and Scotland and England, why should the legislation affecting Northern Ireland be treated any differently? Why should there not be the appropriate Northern Ireland Standing Committee or Select Committee to analyse legislation or issues affecting Northern Ireland so that they can be debated before they come to the Floor of the House? That is a matter of logic. I believe that to proceed to some kind of variation on how we do business here would be welcome to hon. Members. The Secretary of State put that forward as a positive suggestion in his statement to the House on June 12.

Unfortunately for the right hon. Member for South Down, his long-held aspirations towards integration suffered a cruel blow when the Government whom he has long supported signed, without his advice or approbation, the Anglo-Irish agreement. No amount of invective which was hurled across the Floor of the House towards the Prime Minister has matched the depth of his disappointment on this subject.

I have outlined the dilemma which I see faces the Unionist parties in Northern Ireland as they face the dissolution of their Assembly and the continuance of direct rule. At the end of the day, we must say that they must resolve those dilemmas for themselves. The role which they believe they should take is a matter for them. It is a road which must be democratic and constitutional. If I may borrow a phrase from President Reagan, they can run from the Anglo-Irish agreement, but they cannot hide from its consequences, nor, may I add, from the opportunities which the Anglo-Irish agreement offers them. We must all hope that the time is not far off when Unionist Members will again grace the proceedings of the House, that the offer of discussions with the Prime Minister is taken up, and when the Unionists understand that if there is a place for a minority community in Northern Ireland, with its religion, its culture and its nationalist aspiration, there is equally a place for a majority community which has shared with us not only a common culture and heritage, but a common bond in adversity in decades gone by.

The Opposition have no more intention of turning their back on that majority than have the Government. In the circumstances, the Opposition see no alternative but to support the order tonight and the continuance of direct rule until such time as there can be devolution in the interests of the minority and majority communities in Northern Ireland, whatever their ultimate aspiration may be.

7.40 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): I commend to the House both the orders that we have debated this evening. The right hon. and learned Member for Warley, West (Mr. Archer) described what was happening today as a farewell party. My right hon. Friend the Member for Brighton, Pavilion (Mr. Amery) drew an analogy with certain people in California who put dead bodies on ice. I regard it rather as the sort of farewell that one gives to someone who may need to leave for a period of rest and recuperation before returning to full health.

I reiterate the belief, which was echoed by my hon. Friend the Member for Norfolk, North-West (Mr. Bellingham), that it is devolved government, rather than the route which has come to be called integration, which provides the only solution and way forward for the government of Northern Ireland.

I echo the tribute that the right hon. and learned Member for Warley, West paid to the Speaker, the Clerk,

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the staff and others who strove so mightily to make the Northern Ireland Assembly a success. Members of the Assembly are having their final debate now, and I echo the tribute paid by the right hon. and learned Gentleman to those who played a constructive role throughout its life.

I shall return later to discuss in more detail some aspects of the Anglo-Irish agreement and especially its benefits. The right hon. and learned Gentleman was at pains to say that in presenting the Anglo-Irish agreement and in arguing for it we should make it clear that it is not just security and cross-border security co-operation that should matter. Of course, I agree with that. There are economic, political, and cultural matters that can also benefit from the discussion that takes place in the Anglo-Irish Intergovernmental Conference and in sub-groups which work between meetings of the conference.

The communiqué of the Anglo-Irish Intergovernmental Conference which was placed in the Library of the House following the meeting on 11 March listed well over 50 examples of cross-border co-operation in a variety of areas: education, tourism, fisheries, training, water resources and drainage. My hon. Friend the Member for Norfolk, North-West will be pleased to hear that horse breeding is another example of cross-border co-operation. The range is impressive. I commend to those who are interested those examples of cross-border co-operation. Most of them pre-dated the Anglo-Irish agreement, but they can benefit from the existence of the agreement.

The right hon. Member for South Down (Mr. Powell) said that my right hon. Friend the Member for Waveney (Mr. Prior) posed the wrong question to the Assembly when it was established. I shall paraphrase for the sake of brevity what the right hon. Member for South Down said. He said that the right hon. Member for Waveney had asked the Assembly to reconcile the irreconcilable in the work that it was undertaking. I believe that the purpose of my right hon. Friend the Member for Waveney in establishing the Assembly in 1982 was to determine whether sufficient common ground existed for the differences, which in constitutional matters are fundamental, to be put aside while elected representatives of the people of Northern Ireland could co-operate to share discussion and ultimately decision-making on matters that affected the day-to-day lives of people living in Northern Ireland.

I am sad that an Assembly which I believe suffered from the outset from the understandable but, I still maintain, mistaken decision of the SDLP Members not to take their seats, and which has ended because of the refusal of the remaining Unionist Members to carry out the functions that Parliament has laid upon it should have come to an end. I regret it, but I believe that it will be but a temporary absence. I repeat my assertion that I believe that devolved government is the way forward for Northern Ireland.

I say to the right hon. Member for South Down—he took it from the physical reaction of my right hon. Friend but I repeat it now — that of course it is the Government's intention to ensure that courteous and proper treatment is accorded to those who have been Members of the Assembly and will cease to be so when the order which we are debating is finally signed. The Clerk is writing to Members of the Assembly to set out the arrangements which will be in hand for them to remove their equipment and belongings from the precincts of the Assembly.

The Government and the House are entitled to reciprocity in this matter. The behaviour that led Members of the Assembly to invade a part of the building that did not belong to them, with the result that they had to be removed by the Royal Ulster Constabulary, is not acceptable. I hope that we can look to those Members of the Assembly to behave with responsibility and courtesy. In return, we shall show it to them.

The right hon. Member for South Down made great play of the origins of the role of government in Northern Ireland. Historically, his analysis was totally correct. But he takes a huge leap forward when he says that, because the genesis of the concept of the role of government for Northern Ireland was based upon the aim of bringing about a united Ireland, that is why we now have devolved government in Northern Ireland, and that successive Governments have come to that idea simply to see the distinctive needs of Northern Ireland, and have established local arrangements so as to meet those needs. I shall return in more detail to the arguments about integration later in my speech.

Some of my right hon. and hon. Friends raised what they called the Irish dimension — in effect, the Anglo-Irish agreement. This is not the time or the place to go into detail about that agreement or why I maintain it is of immense importance to the future in Northern Ireland. I should like to make one thing clear to my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison). He said that it would be better if these discussions could take place within the context of the Anglo-Irish Intergovernmental Council rather than the conference. I want to make it clear that the conference operates within the framework of the Anglo-Irish Intergovernmental Council. Because it is charged with the work of dealing with north-south matters, it is obviously appropriate, as envisaged in the Anglo-Irish agreement, that it should be Northern Ireland Office Ministers who should be concerned with the work of the conference. But it is working within the framework of the Intergovernmental Council.

Sir John Biggs-Davison: The difference is that the Anglo-Irish Intergovernmental Conference is the centre of an unequal treaty whereas the Anglo-Irish Intergovenmental Council is an organisation where Ministers from two sovereign states can meet on completely equal, reciprocal terms.

Mr. Scott: I shall come to that point because it was suggested that in some way the Anglo-Irish Intergovernmental agreement had caused some sort of inequality. The proposition that was put before the House was that the Irish Ministers were in a position to put forward views and proposals on behalf of the Nationalist community while my right hon. Friend would have to take account of the interests of all the citizens in both communities in Northern Ireland and somehow there was some inequality in this arrangement. There is, but only for so long as the representatives of the Unionist community in Northern Ireland decline to come forward and use this House and the Assembly and all the other avenues that they have for contacting Northern Ireland Office Ministers in Northern Ireland. Ultimately all that the Irish Ministers can do within the context of the conference is to

put forward views and proposals. The decision-making process remains absolutely with my right hon. Friend. Nothing in the Anglo-Irish agreement affects that fundamental constitutional position.

I was asked by my hon. Friend the Member for Norfolk, North-West—and the point was also alluded to by my right hon. Friend the Member for Pavilion—about the benefits of the agreement. I can assure the House that benefits are beginning to flow, not least in the area of cross-border security co-operation. Extra resources have been moved by the Garda Siochana to the border areas. But in a sense it is not just the numbers but the nature of cross-border security co-operation that will be important in the development of work in that area.

We have already had the first fruits of the work of co-operation between the RUC and the Garda Siochana and those will be the building blocks upon which, in time, we shall erect a strategy throughout the island of Ireland, agreed and operated by the two police forces, which will deny the terrorist the explosives, guns, money and free movement of men that he needs to carry out his work.

Already, important work at policy and practical levels on fugitive offenders is being carried forward. The switch in the January elections towards constitutional nationalism and away for support for Sinn Fein is another important benefit that has already flowed from the existence of the Anglo-Irish agreement. However, the fruits that we have seen are but a start in the work that will eventually flow from the agreement.

Mr. Ivor Stanbrook (Orpington): I simply want to ask my hon. Friend whether he had any news of the date of ratification by the Republic of Ireland of the convention on the suppression of terrorism.

Mr. Scott: No. As was made clear when the Justice Minister of the Republic signed the convention on the suppression of terrorism, it will need legislation. It is envisaged that that will be introduced in the autumn of this year. I think that that has been clearly understood. However, I am by no means an expert on the Irish legislative processes, so I cannot say how long it will take to go through the Oireachtas.

I echo the point made by the hon. Member for Newry and Armagh (Mr. Mallon) that it would be wrong—indeed, it would be impossible—for the House or the Government to impose some sort of solution for the political future of Northern Ireland. That must spring from the people of Northern Ireland. The Assembly was an attempt to provide the elected representatives of the people of Northern Ireland with a framework in which they could create that way forward. That must still be the principle on which we work. Only widespread agreement involving the elected representatives of both traditions can possibly provide the framework within which that progress can take place.

My hon. Friend the Member for Eastbourne (Mr. Gow), with his customary, impressive forensic skills, presented a formidable but flawed case to the House this afternoon. The 1979 manifesto of the Conservative party said:

"In the absence of devolved government,"—

I emphasise those words—

"we will seek to establish one or more elected regional councils with a wide range of power over local services."

I re-emphasise the words

"In the absence of devolved government".

There is no room for devolved government and a regional council. Even Macrory said that there was room for only three tiers of government in Northern Ireland—district councils, Stormont and Parliament. If my hon. Friend is urging us to accept a regional council, he clearly envisages the end of the search for devolved government and the Government are not convinced of the validity of that argument. But he made it clear this afternoon that he did not envisage any such council being elected by proportional representation. Does he—he would have to address this—envisage such a council being run on majority rule lines? If that were his proposal, I can see not the slightest chance of the House passing legislation to that end, nor of the widespread acceptance in both communities in Northern Ireland which would be essential for any progress on that front.

Mr. Gow: The words which my hon. Friend and I quoted are, not surprisingly, identical:

"In the absence of devolved government"

we shall seek to set up one or more regional councils. I emphasise the words

"In the absence of devolved government".

Does my hon. Friend agree that, since 4 May 1979, when the Conservative Government took office, there has been both an absence of devolved government and an absence of a regional council or councils? Is that not in breach of the very promise that was made in the 1979 manifesto?

Mr. Scott: The whole thrust of what I have put before the House so far is that we should retain the search for that devolved government because that provides the only sound way forward for Northern Ireland.

Mr. Murphy: Does my hon. Friend agree that, as our right hon. Friend the Secretary of State said earlier that there will be consultations on these important matters without preconditions, he is in danger of creating those very preconditions?

Mr. Scott: With respect, I am going on to deal with some of the difficulties that those who advance some form of integration face in carrying their arguments through. But, no, the talks may be about amendments to the present arrangements for handling, for instance, legislative matters, but still against the context of the Government's commitment to a search for devolved government.

My right hon. Friend the Secretary of State set out, in his opening speech, the differences between Great Britain and Northern Ireland which justify a distinctive approach to the political arrangements that are made for the Province. Ever since the creation of Northern Ireland some 65 years ago, it has had different arrangements from those which have obtained on this side of the water. Of course, that is not to say that no change should take place if arguments could be sufficiently right or convincing to carry the day. But the Government are not convinced by those arguments.

Today, three propositions have been put before us—that there should be changes in the legislative arrangements, aiming, where possible, to legislate for Northern Ireland by Bill rather than by Order in Council; that we should abandon the aim of devolved government for Northern Ireland; and that we should have an increase in the powers of local government.

I do not think that any hon. Member will need convincing of the extra strains that we would put upon the timetable of the House of Commons were we to say that

[Mr. Scott]

we should legislate only by Bill for Northern Ireland. A Grand Committee or a Select Committee, which have been referred to, would give rise to difficulties of membership and of balance within those Committees. I am aware, having served as a Minister in the Northern Ireland Office for nearly five years now, of the resentment—I do not think that is too strong a word—that exists about the present legislative arrangements in the House of Commons. That is why my right hon. Friend the Prime Minister has specifically offered to talk to representatives of the Unionist party and others about those arrangements. It is up to them to put forward specific proposals which could be discussed with my right hon. Friend the Prime Minister and the Secretary of State about alternative arrangements which would better suit the needs of Northern Ireland legislation within the House.

I shall not make great play of the administrative upheaval which would be created by some of the arrangements suggested this afternoon. But if we were to abandon the search for devolved government and go down the integrationist route, the Ulster Unionist party would be far from unanimous in changing towards that course. The Democratic Unionist party, the Alliance party and the Social Democratic and Labour party would be completely hostile to any such change. Indeed, they have all made clear their hostility to it. Certainly there would be no chance of getting any widespread acceptance of the principles behind an integrationist approach.

Integration, in effect, would mean permanent direct rule for Northern Ireland — all the disadvantages of having a Secretary of State and other British Ministers ruling the Province, with no prospect of a body in Northern Ireland that could advise, disagree, argue, and persuade British Ministers on necessary changes in order to make that legislation reflect the needs of the local community in Northern Ireland.

Since 1982, I have seen clearly how effective the Assembly has been in monitoring the work of the Northern Ireland Departments, and how willing British Ministers in Northern Ireland have been to make changes in the legislation so as to make it more amenable to the needs of Northern Ireland.

We see an end to the Assembly today. We have to find a new way forward for Northern Ireland. That can happen only if the representatives of the Unionist parties in Northern Ireland are prepared to talk to my right hon. Friend the Prime Minister and to my right hon. Friend the Secretary of State about their genuine concerns. The Anglo-Irish agreement is an international treaty and it is not going to be put aside or suspended. But surely all elected representatives from Northern Ireland, Unionist and Nationalist, have a duty to engage in talks. The sooner they take place, the better.

Question put and agreed to.

Resolved,

That the draft Northern Ireland Assembly (Dissolution) Order 1986, which was laid before this House on 12th June, be approved.

Northern Ireland Act 1974 (Extension)

Ordered,

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1986, which was laid before this House on 4th June, be approved.—*[Mr. Tom King.]*

Northern Ireland (Emergency Provisions)

8 pm

The Secretary of State for Northern Ireland (Mr. Tom King): I beg to move,

That the draft Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No. 2) Order 1986, which was laid before this House on 22nd May, be approved.

I welcome this opportunity to restate the Government's policy on security in Northern Ireland and to explain why the Government feel it necessary to propose the continuation of the temporary provisions in the Northern Ireland (Emergency Provisions) Act.

I shall begin with a brief review of security since the last renewal debate. So far this year, 13 members of the security forces and 14 civilians have died as a result of the security situation in the Province. I make no secret of the fact that the threat from Republican terrorism, mainly the Provisional IRA, remains high. It takes different forms, including shooting attacks on the security forces, the use of home-made explosives, and developments in mortar attacks against security force bases. To counter that threat the security forces are maintaining the most intensive rate of operations since 1981.

Against that background, the House will no doubt share my dismay and understand the frustration of the security forces when public disorder and intimidation, associated with so-called Loyalist protests against the Anglo-Irish agreement, divert vital police resources from the crucial task of dealing with terrorism. Disgraceful and cowardly attacks on off-duty policemen and women, and their homes and families, have made the job of the Royal Ulster Constabulary even more dangerous and difficult than usual.

Against that background, I know that the whole House will join me in praising the courage, impartiality and steadfastness of the RUC. The professional attitude that marks the RUC is a constant reassurance to all law-abiding people in the Province. I must also pay tribute, as I know the RUC would wish me to do, to the unstinting support provided to it by the Armed Forces. Significant extra military resources have been deployed recently in the Province to assist the RUC, to protect police stations and to mount additional patrols, while the men and women of the Ulster Defence Regiment continue to bear the brunt of front-line support for the RUC over much of the Province.

Mr. Clive Soley (Hammersmith): Is the right hon. Gentleman minded to act on the recommendation of Sir John Hermon, that the decision to allow a march or to re-route one and soon, should be taken out of the hands of the police and given to an independent body? If he made such a suggestion, it would make life easier for the police —and it is profoundly difficult at the moment—and would find support in various quarters of the House.

Mr. King: I am grateful to the hon. Gentleman for his interest in that point. However, I hope that he will forgive me if I comment later on marches and so on.

I would not wish my tribute to the security forces and the brave and courageous task that they discharge in the Province to exclude my tribute to the dedication with which members of the prison service approach their duties. Those duties are, of course, made that much more difficult

by the nature of the prison population in Northern Ireland and, sadly, by the attacks that they too have suffered at the hands of so-called Loyalists.

The threat that terrorism presents to society in today's world demands an international response. Work on cross-border security, to which my hon. Friend the Under-Secretary of State referred earlier, has certainly made an encouraging start following the Anglo-Irish agreement. There have also been developments since the last renewal debate. I refer, for example, to the important signature of the Government of the Republic of Ireland to the European convention on the suppression of terrorism. We look forward to the presentation of legislation in the Dail, and hope that it will make good progress.

The House will also be aware of the substantial majority in the Senate Committee which examined the extradition treaty between the United States and this country. We obviously hope that there will now be speedy progress through the Senate. Constant vigilance, surveillance and intelligence are an essential part of the fight against terrorism, which often has an international dimension, if not being positively sponsored by other unfriendly nations. In that respect, the House will realise the commitment and dedication that is represented by the successful prosecution of the bombers involved in the outrage at the Grand hotel, Brighton. Hon. Members will also have read of those found guilty of the appalling outrage at the Droppin' Well Inn in Ballykelly.

Moreover, in recent months there have been substantial arms finds in Roscommon, just over the border in County Sligo. There have also been successes in Amsterdam, Boston, and most recently in Le Havre. Such successes are not accidental but the result of determined co-operation and of a growing sense of international commitment to working together to root out the evil of terrorism that threatens the democracies of the western world. We are committed to the fight against terrorism by apprehending supplies of arms and by ensuring that there are effective extradition arrangements, so that those who should stand charged of some of the most grievous crimes against their fellow citizens can be brought back to face trial. We must ensure that there is no safe haven to which terrorists can easily flee.

Mr. Peter Bruinvels (Leicester, East): No one could deny the courage and determination to fight terrorism that have been displayed so well by members of the RUC. However, does my right hon. Friend agree that one of the most unfriendly nations is that run by the madman Gaddafi? He has announced that he will send £1·3 million to support the IRA. Does that not mean that there will have to be even more control and observation along the borders so that we can fight terrorism that is sponsored by a country that has no respect for democracy?

Mr. King: I have already mentioned the threat posed by state-sponsored terrorism. If the latest intelligence is correct, the Libyan Government are determined to return again to the path that there is clear evidence to show they were on before. That is most unwelcome. The House will have noted and appreciated the extremely prompt response of Mr. Peter Barry, the Foreign Minister of the Irish Republic, who made it clear that that was totally unacceptable. He gave instructions that representations were to be made immediately to the Libyan Government, with whom the Irish Government still have, I believe, diplomatic relations, in order to make it clear that such activity would be quite unacceptable whether north or south of the border. Everything that he said is entirely in line with our thinking on the subject.

That remark emphasised once again a point which must be increasingly understood, that one of the tragedies of the present position—the list of deaths that I have just read out—is that these murders are being committed with less and less point. I have heard the hon. Member for Newry and Armagh (Mr. Mallon) stress that these murders are pointless and that there is no longer any objective to be obtained through such terrorism. That is not the way that aspirations will be achieved.

The increasing political and human irrelevance of the IRA and other terrorist organisations proves that they no longer have a moral basis for their activities—not that they ever had one. That clearly emphasises that the terrorists recognise that they cannot persuade or command genuine support in a democratic society. Therefore, terrorism is their worst and last refuge.

It is significant, and many hon. Members will have noticed, that one of the features of recent murders is that three of the victims were Catholics, members of the minority community. Nothing can confirm more clearly that a permanent tyranny of terror is now all that the IRA can offer to people north or south of the border in Ireland.

Our commitment is to fight and to defeat the evil of terrorism. That must be done on a basis that our security policy is founded on the belief that the fight against terrorism is based on a strict observance of the law and on bringing terrorists to justice before the courts. In the face of the problems, difficulties and criticisms that they face about the system and the administration of justice that operates in a society where terrorism exists and where there is intimidation, whether that be of juries or witnesses, I would like to pay tribute to the great courage and commitment of the Lord Chief Justice and his colleagues in the Northern Ireland judiciary for the brave way in which they still discharge justice in the most difficult circumstances in the United Kingdom.

I would like to consider in that spirit the emergency legislation under which the judiciary operates in Northern Ireland. I recognise, as everyone recognises, that these are exceptional provisions to meet exceptional circumstances. We have sought to establish the minimum adjustments to ordinary law to enable the security forces and the judicial system to cope with the problems of terrorism.

When the Emergency Provisions Act as a whole is looked at in this light, I am sure that right hon. and hon. Members will agree that Parliament's duty is to ensure that the derogations from the normal legal processes are as limited as possible and that any such derogation is fully justified. I and my predecessors and my ministerial colleagues have given very considerable and careful thought to the issues which arise. We have studied and discussed Sir George Baker's recommendations for amending the Act. We have also given careful consideration to the views of individuals and organisations — notably the Standing Advisory Commission on Human Rights—who have commented on Sir George Baker's recommendations. The Government have thus accepted that there is scope for amending the Act and we will be introducing legislation for this purpose as soon as the parliamentary timetable permits, and certainly within the life of this Parliament.

Mr. Stephen Ross (Isle of Wight): I believe that the Secretary of State, in seeking our trust in this undertaking, is going a little far, for we may not be here in this Session next spring. Would he go further and say that he will introduce the legislation in the next parliamentary Session?

Mr. King: I am a stickler for parliamentary conventions and will not anticipate any Queen's Speech. I certainly will not anticipate the date of the next general election. We understand and believe in the importance of the legislation and I hope that it will be possible to reflect the spirit of what the hon. Member for Isle of Wight (Mr. Ross) has said, and the target time which he had in mind.

During the debate on a continuance order on 25 June 1985, my right hon. Friend the Member for Witney (Mr. Hurd) set out in general terms the Government's main proposals for amending the Act, arising from Sir George Baker's recommendations. These proposals included an increase in the Attorney-General's discretion to certify cases out of the scheduled mode of trial — which has now been achieved by an amendment order which came into effect in January this year; the repeal of the police power in section 11 of the Act, which duplicates the arrest power in section 12 of the Prevention of Terrorism Act; recasting section 2(2) so that the onus in bail applications will be on the prosecution, and widening section 2(5) to include members of the RUC and RUC Reserve; and making the temporary provisions of the Act renewable annually by Parliament and subject to a maximum life of five years without re-enactment.

My right hon. Friend also said that he was considering Sir George's recommendation that magistrates should be able to remand persons accused of scheduled offences in custody for up to 28 days without consent so as to avoid wasteful and meaningless remand hearings. I can now say that I propose to implement this recommendation. I also propose that certain powers in the Act—the powers of entry and search in section 11(2), the power of arrest without warrant in sections 13 and 14, and the powers of entry and search in section 15(2) and (3)—should be exercised only on the basis of "reasonable suspicion". I should like to take this opportunity to describe in general terms some additional proposals which the Government intend to incorporate in that amending legislation.

We intend to propose provisions governing the rights while in custody of suspects arrested under the emergency legislation to have someone informed of their arrest and to have access to a solicitor. These provisions would effectively replicate for Northern Ireland the provisions of sections 56 and 58 of the Police and Criminal Evidence Act 1984 as they apply to persons arrested under the terrorism provisions.

We also intend to take the opportunity to introduce measures intended to inhibit the exploitation by paramilitary organisations of the private security industry in Northern Ireland. It is a matter of deep concern to me that members of paramilitary organisations should be able to masquerade as private security companies while engaging in what is little more than a glorified extortion racket. This concern has also been voiced by many public representatives in Northern Ireland and by the Northern Ireland Assembly. We propose a relatively simple scheme in which private security companies would be required to seek a certificate from the Secretary of State, and such a certificate could be denied if the Secretary of State were satisfied that the granting of a certificate would further the aims of a paramilitary organisation, whether directly or indirectly.

It is obvious to all observers that the border with the Irish Republic plays a large part in the current phase of Republican terrorist activities. It is against that background that my earlier reference to the importance of the work of the Anglo-Irish agreement for improving cross-border security co-operation is so valuable. I know that some of my hon. Friends have expressed anxiety and impatience for early results. I am sure that my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths), who is so familiar with police matters, knows the time, preparation and depth of work involved in trying to achieve real improvements and the basis for effective co-operation that is necessary.

I can report to the House that the most encouraging item at the last Anglo-Irish conference held on Tuesday was the report received from the Chief Constable and the deputy commissioner of the Garda on the measures agreed to improve arrangements for the exchange of information and to develop liaison structures. A significant amount of work has been done and more will be carried out shortly. That offers the best prospect that there has ever been for close co-operation between the two police forces, faced as they are with the challenge and threat of terrorism.

Before I conclude my remarks on the order, I should like to add something, as I said I would, on the thorny issue of parades and marches in Northern Ireland. Northern Ireland has a long tradition of marching to commemorate various historical events. Most of those processions are colourful and enjoyable occasions, but regrettably some have become strident and triumphalist in tone and purpose and a focus for sectarianism. The Public Order Bill currently before Parliament addresses the issue of how public processions should be controlled in England and Wales, and the House has shown during the debates on the Bill that it supports the right of any person or group of persons to hold a public procession so long as it does not unreasonably interfere with the lives of people living and working in the area, or involve the prospect of serious public disorder.

My hope is that a similar attitude will prevail in Northern Ireland. How can it benefit anyone to march through an area where the inhabitants do not support the views being expressed by the marchers, and where the only result is to exacerbate tension in the area? This is a straightforward issue, and my views on the subject arise from my concern about the effect of such marches on inter-community relations within Northern Ireland. It is an issue on which the Chief Constable called for common sense and tolerance from both sides of the community in successive annual reports long before the Anglo-Irish agreement was signed.

Mr. Seamus Mallon (Newry and Armagh): The Secretary of State said that he hopes that the same attitude will prevail in Northern Ireland. Surely he should be telling us that he hopes that the same legislation will prevail in Northern Ireland. Will the right hon. Gentleman confirm that it is in the mind of the Government to ensure that legislation to deal with that matter is introduced, not just that he hopes that the attitude will prevail?

Mr. King: I have already told the House that we are waiting for the Public Order Bill to complete its passage

through the House before we consider its implications for Northern Ireland. In the light of the Bill and any amendments that are made in either House, we shall consider the ways in which we might apply such legislation in Northern Ireland.

Under the Public Order (Northern Ireland) Order 1981, the control of public processions is a matter for the police. I want to make that point absolutely clear. It is a police responsibility, and not mine, to decide whether to impose conditions on the organisers of a parade. It is true that I have a reserve power to prohibit processions and public meetings, but I want to make it absolutely clear that that power has invariably been exercised on the basis of police advice. Let me make it clear that that will continue to be my position. I would not intend to exercise that power save only on the advice of the police, on the proper law and order grounds.

The House will be aware that this year there have been hundreds of parades, and most have gone off entirely peacefully. Many hundreds more parades will take place in the next few months. I do not know how many — the House will realise that there are more than 2,000 marches and parades every year in Northern Ireland. That is a massive undertaking, with a massive responsibility and work commitment for the RUC. If the organisers, in discussion with the RUC, can act responsibly and choose routes that are not provocative, it will be possible for the marches to take place much more peacefully, and in a way that creates the maximum enjoyment for those involved, without interfering with the daily lives of those who might not share the marchers' views or beliefs.

I am sure that the whole House will join me in sincerely encouraging people in Northern Ireland who are in any position of responsibility — parade organisers or members of the various orders — to consider carefully before finalising their proposals this summer, and to take account of the impact that their marches could have on inter-community relations.

I respond to the question asked by the hon. Member for Hammersmith (Mr. Soley). The Chief Constable himself has put forward proposals in his most recent annual report on the way in which those marches and the issues raised by them might be dealt with in the years ahead. That proposal can be considered and discussed. It is not relevant for this marching season. This season will take place under the rules that are already well established, whereby the Chief Constable has the responsibility.

Sir Eldon Griffiths (Bury St. Edmunds): With regard to the proposal that has been attributed to the Chief Constable, will my right hon. Friend make sure before he carries it far that he discusses it with the other police staff associations, particularly the Association of Chief Police Officers on this side of the water, which he may well find takes a different view?

Mr. King: My hon. Friend said "attributed", but the proposal is in the Chief Constable's annual report. As far as I am aware, it has not been taken further at this stage. I am aware that there are some concerns about that, and that there are some who feel that it would be a bold gentleman who took on that responsibility. In Northern Ireland, one can see what a responsibility it might prove to be. I shall simply note what my hon. Friend says. As far as I am aware, the proposal has not been taken further, and it is unlikely that it will be until after the marching season, when further lessons may be learned and further views formed as to whether it is worth pursuing. If it is, it should involve consultation with the various associations, as my hon. Friend suggested.

Mr. Soley: We recognise that the responsibility cannot be given to local authorities in Northern Ireland. No one is suggesting that. The principle is to take the police out of the problem of having to decide the route or conditions between competing political parties, which is often what it is about. If the police are taken out of that, and that responsibility is given to the independent bodies, as Sir John suggested, the duty of the police is more clearly to enforce the law. That is easier to do if they are not part of the discussion beforehand on whether the route is correct, and so on. I recognise that there are difficulties, but the police need to be taken out of the vice between competing groups.

Mr. King: The decisions on the suitability of routes are taken not on political grounds, but entirely on grounds of law and order, and the risk of disorder. I shall not go further because we see some real problems with the proposal, and this is not the moment to discuss it. After the marching season, and if it is wished to pursue the proposal further, there will be an opportunity for consideration to be given to it.

I hope that what I have said has demonstrated the concern that we have, while recognising the need to retain the emergency legislation that applies to Northern Ireland, to keep it under continual review. I certainly look to the opportunity to place the proposals that I will make before the House in legislative form. I should be interested in any thinking and views that right hon. and hon. Members and outside organisations may have on my comments. I include in that the political parties in Northern Ireland.

I have therefore conceded that the Government believe that the Northern Ireland (Emergency Provisions) Act 1978 should be amended in a number of respects, but the question before us tonight is whether the temporary provisions of the Act should continue in force. For the reasons that I gave, regarding the security situation, the background against which the security forces and the Government have to operate, and the potential threat of terrorist violence that continues to hang over the people of Northern Ireland, I believe that it is essential that the order is renewed. I commend it to the House.

8.28 pm

Mr. Peter Archer (Warley, West): The Secretary of State has one advantage over me today. According to my calculations, this is the sixth debate in which I have taken part devoted to the Northern Ireland (Emergency Provisions) Act 1978. In each one, I have said the same thing. I make no apologies for that. I imagine that I would be open to criticism if I had not. We have all on occasion recognised that we may have been mistaken, but normally consistency is considered to be a virtue, and on this subject our views have not changed. So I have said the same thing. There comes a time when one exhausts the various ways of saying the same thing. There are hon. Members on the Government Benches who have just as consistently disagreed with us, and that is their right. There are also those who have made no effort to understand what we on this side of the House have been saying. They have never directed their minds to the issues we have raised. They

[Mr. Peter Archer]

have sought to refute us by reciting facts, obvious to everyone, as though we had overlooked them. They have invented opinions which we do not hold, and they have invented proposals which we have never made. As I cannot leave our arguments to be caricatured by those who do not understand them, if they were minded to do so, I fear that, at the risk of being tiresome, I will have to repeat what I have said so often. I will try to do so briefly as this is a short debate, and I will confine what I have to say to the specific issue which the House is deciding tonight.

This debate is not about who cares the most for law and order. We yield to no one in this House in our condemnation of lawlessness. Those who suffer most when the law ceases to be respected are those who are most vulnerable — the elderly, those on low incomes, those who are condemned to live in shadowed thresholds, dark with fears. We need no lessons on the evil which may be inflicted by human wickedness. We have no illusions about how innocent people can suffer from indiscriminate violence — in whatever cause — whether it is carried out on the instructions of a commandant, or a godfather, or the Libyan Government, or ordered by an American President. I hope we will be spared a lecture about the evils of terrorism, because anyone who pretends that that is what this debate is about is either incapable of understanding the issues or suffers from the oblivion of the wilfully deaf.

Nor are we oblivious of the difficult and dangerous tasks which we call upon the police and the law enforcement bodies to undertake. On other occasions we have paid tribute to them for the way in which they carry out their unenviable job. But they will tell us that their task does not become easier if we take away the normal guidelines within which they are expected to operate. We can judge lapses with some sympathy and understanding, but that is not the same as saying that anything goes. Like my hon. Friend the Member for Hammersmith (Mr. Soley), I was pleased to see the comments of Sir John Hermon. The police are protected if they are responsible to an authority which is fair and is manifestly seen to be fair——

Sir Eldon Griffiths: That does not make sense.

Mr. Archer: Before we heard that explosion, I had intended to say that I recognise that the hon. Member for Bury St. Edmunds (Sir E. Griffiths) has a point. It does raise questions for debate, but this is not the occasion to debate them.

We on the Opposition Benches have two anxieties, and I am aware that they are shared by some hon. Members on the Government Benches whose minds are not completely closed.

First, we are aware of how provisions which were introduced in an emergency can become so entrenched in our habits of thinking that we come to regard them as normal. Not only do we cease to ask whether they can lead to unfairness, but we cease to ask ourselves whether they serve their original purpose, or whether they make any contribution to reducing crime. A conviction becomes a success, irrespective of whether we have convicted the right person.

In Northern Ireland a whole generation of lawyers, police and politicians have grown up with the 1973 Act and its successors. They have spent their professional lives knowing nothing else. As one provision succeeds another and standards are gradually eroded, those who set out to destroy our way of life can take comfort because they will have succeeded. If we in this House cease to scrutinise each provision at least twice a year, we shall have fallen from the standards set by those who originally drafted the legislation. I am grateful to the Secretary of State for having said that that is a function which the House must faithfully discharge.

I offer one example of how a power on the statute book encourages law enforcement authorities to act in ways which are both oppressive and pointless and which, on reflection, the authorities would not wish to do. On 22 October 1980 a young lady, Miss Ann Walsh, was arrested in her home by members of the armed forces. She was taken to the police station in a Saracen armoured car in full view of the neighbours. She was subjected to the humiliation of being searched and photographed. She was detained for about two hours and then released without any apology then or subsequently.

Ann Walsh was a school teacher and was described later by the Lord Chief Justice as

"quiet, unassuming and of at least average sensibility."

Neither she nor any member of her family had ever been in trouble. It later transpired that someone had suggested that she had been associating with a member of an illegal organisation. That was untrue. It was a piece of gossip, and no one has ever discovered how it arose. But even if it had been true it would not have justified her arrest. Asked later in legal proceedings of what offence she was suspected, the person who arrested her replied

"That's what we wanted to find out."

The military authorities apparently thought they were entitled to arrest Ann Walsh under the emergency provisions Act in the hope that they might find out some reason for their suspicions. They could only have thought that because section 11 of the Act has not been repealed. That section was clearly intended to be used only as a preliminary to detention under section 12. No one has been detained under section 12 for years. So far as I am aware, and certainly so far as I hope, there is no proposal to activate section 12 again. Yet sections 11 and 12 remain on the statute book.

There are other perfectly adequate powers of arrest, as Sir George Baker pointed out. The Lord Chief Justice had forthright criticisms to make of the authorities, and in the event he awarded Miss Walsh substantial damages. I do not suggest that the military authorities acted otherwise than in the interests of law and order. I think they got carried away, and I mention the case not by way of criticism of the military authorities, but because what happened was because of the existence of an unnecessary provision. If the authorities are invited to use unnecessary powers, there will be occasions when they exceed even the powers given to them.

There are provisions in this legislation which, as the right hon. Gentleman recognised fairly, are agreed to be no longer justified. Sir George Baker listed some of them. We are not persuaded that he went far enough, but that is an argument for another occasion. Sir George believed that some of the provisions and some of the powers were unnecessary and unfair, and even counter productive. He reported in March 1984 and, until now, his recommendations have been gathering dust on the shelves. We were pleased to hear what the right hon. Gentleman said tonight —and I am grateful for his invitation for our comments.

He would not expect us to respond off the cuff—that would be silly. We will consider them. I hope we shall have an opportunity to debate them on another occasion. We do not believe, however, that this House would be doing its job if it simply rubber stamped the continuation of the present provisions.

Our second anxiety is that the strongest foundation for law and order, the strongest deterrent to lawlessness, is a conviction in the mind of the public that the law is manifestly fair and that those who enforce it go no further than is essential. The factor most likely to dissuade someone from lawlessness is the disapproval of his or her peer group—those among whom he moves and whose good opinion he values. If they can be persuaded that the law goes no further than is necessary, that it is fair between one group and another, that it protects those who are vulnerable, they will be more effective in dissuading potential law breakers than a whole army of policemen.

If the local communities in Northern Ireland can believe that the way to redress grievances is by constitutional politics and by the use of legal redress that freedom under the law is a reality, then the men of violence will be isolated and their recruiting ground will be denied them.

Nothing in Northern Ireland has given greater aid or comfort to the paramilitaries than the supergrass trials as they have come to be used. I shall not rehearse all the criticisms that we have made. It would afford us some comfort to learn that there will be no more supergrass trials, but I understand that that is not necessarily to be the case.

I know that accomplice evidence is admitted in other jurisdictions, including the courts of England and Wales, but its use in the Diplock context with a multiplicity of defendants, with long remands in custody before trial, and with inducements to lie, such as resettlement, immunity from prosecution and remission of sentence, is something different, and I believe that it would not have been tolerated by the authorities themselves a few years ago. They have become inured to falling standards.

I do not believe that this is something which can be left to the police, the prosecuting authorities or the courts. They can only administer the existing law. A legislative provision is needed to the effect that no one is to be convicted under the Diplock procedure on the uncorroborated evidence of an accomplice. As I understand it, that is the intention of the Bill introduced by the hon. Member for Newry and Armagh (Mr. Mallon). He will no doubt seek to speak in the debate, but I hope he will forgive me if I pre-empt him by asking what the Government's intentions are in relation to that Bill. Will the House be given time to debate it?

It is essential that the law enforcement agencies are scrupulous to remain within the law and that they are manifestly seen to be scrupulous. If under the stress of the moment a policeman or soldier makes a mistake, I hope that we shall always make allowances for the pressures of the circumstance. That is not the same as condoning illegalities or sweeping inquiries under a carpet.

There is widespread anxiety about the Stalker inquiry. I know nothing of the matters under investigation in relation to Mr. Stalker, and I make no comment about them, but part of the anxiety arises because the public has been told nothing. It would not be surprising if people asked why it was announced that Mr. Stalker was removed from the Northern Ireland inquiry before the allegations made against him appear to have been investigated.

Mr. Mallon: It is crucial that we know whether Mr. Stalker had completed his report, and what Mr. Sampson has been charged to investigate.

Mr. Archer: Perhaps the hon. Gentleman knows more about the matter than I do. I am only asking a neutral question: would it not have been wiser to suspend the inquiry until the allegations had been investigated? And when the Minister replies, perhaps he can tell the House how much of the inquiry was completed under Mr. Stalker's direction, how much remained to be carried out, and when he will be in a position to make a further announcement.

This debate is brief and I promised that I would not repeat what I have already said in five previous debates. We of the Opposition believe that hysteria, resentment and grievances are the enemies of law enforcement. We believe that the most effective foundation of law enforcement is the confidence of the public, and that legislation should be designed to reinforce that confidence. That is why we shall divide the House tonight.

8.42 pm

Sir Eldon Griffiths (Bury St. Edmunds): I appreciate the position of the right hon. and learned Member for Warley, West (Mr. Archer), but I have seldom heard a speech which less justified the decision announced at the end. He made a civilised, intelligent, sensitive speech, not agreeing wholly with but welcoming a good deal of what my right hon. Friend the Secretary of State said. It certainly lived up to the issues before us and to the right hon. and learned Gentleman's knowledge of them. But suddenly, at the end, as if he were chucking a stone into a pond, he said:

"That is why we shall divide the House."

There may be good reasons for that and we may hear them, but we certainly did not hear them from him. Perhaps his hon. Friend the Member for Middlesbrough (Mr. Bell) will repair the omission.

On Monday the House debated a subject for which we have no direct responsibility and over which we have little power: South Africa. The House was packed, the media were agog and the BBC recorded the proceedings live. Today we are debating an important part of the United Kingdom, for the citizens of which this House has absolute sovereign responsibility. It is an area where a large number of our fellow citizens have been killed and many live in peril. It is a province to which we provide more subsidy per head than any other part of Britain and where our investments dwarf those in South Africa. Yet today the House is virtually empty. I find that odd, but on reflection I suspect that the House, not for the first time, is mirroring a change of great importance in our country, namely, that the British people are beginning to disengage psychologically from Northern Ireland. They are switching off, turning their backs on the Province.

There are many reasons for that. Nobody enjoys the sight of killings and murders or the scenes of hopelessness and helplessness which often afflict us when we look at Northern Ireland. Above all, no one can countenance the failure of constitutional device after constitutional device, the last of which was dissolved today, or the sight of Northern Ireland politicians squabbling with each other whatever is proposed. To that extent, the House is

[Sir Eldon Griffiths]

reflecting a profound public disillusionment which the politicians of Northern Ireland should take with the utmost seriousness.

I am a Unionist. I hope that the Union will prevail. But I perceive the main threat to the union today not as being the IRA or the Anglo-Irish agreement but the progressive disengagement of the British people on this side of the water from a quarrelsome Province. And my anxieties are reinforced—I hope I say this with complete fairness—by what I detect to be the evolving attitude of some Labour Members.

At the Labour conference some speakers wanted to turn their backs on Northern Ireland and walk away from it. Some Labour Members—I am not referring to any of those present—may say before the general election that the Labour manifesto should include some commitment to have one more go at a solution but if no agreement can be reached with the Republic over progress towards a united Ireland, then the Labour party should commit itself to getting out of Ulster completely. I do not know whether that will happen, but such voices can certainly be detected within the Labour movement.

The Labour party in government may also get into severe economic difficulties. I believe it will do. And I have been in the House long enough to know that drastic decisions are taken by Cabinets when they face economic crisis. Aden had to go because of prescription charges. It is possible that Labour may say, "We cannot afford to continue with Northern Ireland. We have other things to do with our money."

As a supporter of the Union, I am anxious about those matters. I raise them today because the message that needs to go out from the House to the politicians of Northern Ireland, especially those who are not present, is that their constant unwillingness to resolve differences, to find peace, to talk with British Ministers, to join in the political process—this abdication on the part of the representatives of Northern Ireland from the processes of our national life—is likely to accelerate the disengagement of the British people from Northern Ireland. We have a duty to give that warning to those in Northern Ireland whose friendship and loyalty I wish to preserve.

I turn to the subject of public order and terrorism, to which this order is specifically directed. I welcome the Secretary of State's decision that the order must be extended. I welcome it with regret because all of us regret the draconian powers of the emergency provisions. But in the present circumstances I do not think that the police and security services in Northern Ireland could possibly operate without them. They could not otherwise provide the protection for persons and property that our citizens are entitled to expect. So if this House were to remove the powers which provide that protection, we should be in dereliction of our duty. That is why I shall find it strange if the Opposition vote against the order.

Broadly speaking, my right hon. Friend is right to say that there has been some improvement in the terrorist situation. Four strong blows have been struck at international terrorists over recent weeks. First, the conviction of the Brighton bomber and his accomplices was a remarkable police achievement. The House ought to pay tribute to the forensic experts of the Metropolitan police and to many forces up and down the country who pursued patiently and diligently a very difficult quarry. We should also pay tribute to the co-operation between the police on this side of the water and the Royal Ulster Constabulary. Brighton was a severe blow to terrorism.

So, too, was the successful conviction—indeed, there was confession—of the murderers of 17 young people at the Droppin' Well pub in Ballykelly. The morning after that massacre I went to the ruins. Some of the bodies were still stacked up like dominoes. I saw a satin dance shoe belonging to one of the young girls. That brought it home to me. And as it happens, I heard over a radio that was switched into the BBC's "News at One" programme that back here in Westminster Mr. Kenneth Livingstone was entertaining that very day the representatives of Sinn Fein at County Hall. I must confess that I reacted strongly to that news in the ruins of the Droppin' Well pub. When I returned to London I took that slipper across the river, went into Mr. Liverstone's office, banged it on the desk and invited his people to hand the slipper to the Sinn Fein representatives.

I am proud of the Royal Ulster Constabulary and I am glad that they should have achieved the conviction of that group, including females as well as males, who blew up those young people at the Droppin' Well pub.

My right hon. Friend also mentioned the successes of the police and the security services in France, Holland and elsewhere in making a series of arrests—charges no doubt will follow—of gunrunners in Le Havre and elsewhere who have been involved in getting weapons—some of them sophisticated—to the IRA. That is a further great success. I believe that it reflects, more than anything else, the new collaboration that is emerging between the police and the security services of western Europe and North America.

For that—I hope that I put this objectively—the Libya raid must be thanked. Before the Libyan air strike, summit conferences had said many fine things about increasing collaboration on measures to counter terrorism. The foreign Ministers had met and the home Ministers had met and they had said the same. But my experience is that before Libya the words were strong but that the action was weak; since Libya, however, there has been far closer collaboration in the sharing of intelligence and in the working together of the police services and this has helped to bring about the convictions and arrests that we must now greet with satisfaction.

It is to also be welcomed that this increasing international co-operation is buttressed by the efforts of the Reagan Administration to ensure that the CIA and the FBI give us better support than we have ever had before. I think that my right hon. Friend the Secretary of State for Northern Ireland and my hon. Friend the Minister of State will confirm that. The United States has helped enormously.

Then, too, there is the Anglo-Irish agreement. This causes serious problems of conscience for many members of the RUC, to which I shall turn in a moment, but it must also be recognised that the agreement has put the stamp of political approval on the cross-border co-operation that for years had been developing between the two police forces. This has now been given a political momentum that is greatly welcomed by those who are the practitioners of security on both sides of the border.

I must mention another matter. It is a useful step forward that the Foreign Relations Committee of the United States Senate has agreed, by a larger majority than

some of us might have expected, to report out the extradition treaty. This does not go all the way. But it goes a large part of the way. It will, I believe, be helpful.

It is perfectly understandable, when one considers the traditions of the United States, that some Senators were reluctant to allow extradition without a court process. I recognise that Senator Eagleton and his colleagues need the consent of their courts to be incorporated in the arrangements before they would report out the Bill. But I have one question about this to ask my hon. Friend. Accepting, as I do, that the Senate's version is likely to be agreed to by the United States Congress as a whole, is he able to say whether he perceives that there could be difficulties with some of the United States jurisdictions when they look at the Diplock courts and consider whether a fair trial is available? The Americans are used to the jury system. It could be that in some federal appeal court jurisdictions the absence of a jury, because of Diplock, might be used as a reason for refusing extradition. This is an important matter. I do not ask my hon. Friend to give assurances that are beyond his ability. I just want to be certain that the matter has been looked at and discussed with the Federal authorities.

I make this further suggestion. It is not within the ability of any American court actually to determine on the ground whether the processes in Northern Ireland provide a fair trial. A court does not have a researcher who can be sent over here to check up, and we should resent it deeply if it did. I also suppose that the practice in this country, if there were any question as to whether or not a jurisdiction abroad were fair, would be that it would be up to our Secretary of State for Foreign and Commonwealth Affairs to provide a certificate to the court, saying that he was satisfied that there could be a fair trial in a particular country.

I ask my hon. Friend to consider making representations to the United States that, in the event of a United States court resisting extradition on the ground that the Diplock procedures did not provide for a jury, it should be sufficient for the United States Secretary of State to provide a certificate giving his assurance that he was satisfied beyond any question that the Diplock courts in Northern Ireland are fair. I put that proposal to my hon. Friend, because it needs to be considered.

I move from the general proposition that there is a measurable improvement on the security front to a warning that it would be madness to become complacent. As my right hon. Friend has very fairly said, murder, bombing, kidnapping and assassination are still parts of the arsenal of the IRA.

Mr. Mallon: The hon. Gentleman has declared himself to be a Unionist. Does he maintain that these are the tools only of the IRA? Are they not the tools that are also used by paramilitaries on the Unionist side that he espouses?

Sir Eldon Griffiths: It makes no difference from which side murder, assassination or kidnapping comes. I attributed those things to the IRA, but I condemn all those who do such things.

I should like to speak for one moment about the pressures and strains on the Royal Ulster Constabulary. I make no bones about it: for a force that has expanded rapidly from about 3,000 to 8,000 regulars, or to 10,000 if we include the immediate reserves, over some seven or eight years, the RUC has made remarkable progress. It is probably the most proficient counter-insurgency civil police force in the western world, and it deserves congratulations on its professional efficiency and on the dedication and courage of its members.

On Monday night the Secretary of State and I attended the annual conference of the Police Federation for Northern Ireland. It was most agreeable to hear the tribute that the Secretary of State paid to the force. His words were sincere and greatly appreciated. Large numbers of RUC men are nevertheless going through a crisis of conscience. Some of them are bewildered; they do not quite know where they stand. One reason for this is that the RUC is overstretched. The force is being expected to do too much. The RUC in fact is a police force with four separate roles.

Its first role is to carry out all the ordinary police tasks. Crimes of disorder, traffic offences, drugs and corruption are growing all over the world; and coping with those things alone would be enough for the RUC. But, on top of that, it has other roles that are not carried out by our other police services. Thus its second role is to fight a terrorist offensive. The RUC is a counter-insurgency force and a large part of its time, probably 40 per cent. of its time in one way or another, is expended not on fighting conventional crime, but on counter-insurgency.

The Royal Ulster Constabulary's third role is as the guardian of an international frontier. That, too, is an armed role and a special one that the RUC and its predecessors have had since the setting up of the border. This task demands a great deal of a civilian police force; indeed, when one visits some of the border posts, one sees that the RUC is not really policing at all. In many cases its members are besieged in semi-fortresses, festooned with barbed wire. Its officers are often unable to go out to carry out the conventional tasks of serving warrants and apprehending criminals without the armed protection of the Army.

It is the RUC's fourth role that is the most difficult of all. Since the Anglo-Irish agreement, the RUC has been confronted by a major public order problem arising from the hostility of a very large number, probably a majority, of the people of Northern Ireland who are against that agreement. As a result of that perceived hostility, many members of the RUC have been faced with some impossible dilemmas.

There are professional dilemmas. How does one police against the wishes of the majority? How does one police without what we like to describe as consent? What is the position of a police officer when, as one of them put it to me, he is expected to "give them a tanning in the streets and drink with them in the evening?"

There are personal dilemmas too when police officers are expected to ban or stop marches and then go back and live within the community from which those marches traditionally have originated. Police officers who have grown up in one culture, lived among one group of people now find themselves spurned, despised and cold shouldered by their neighbours and friends. Inevitably, that has an impact on their working lives.

I have seen nothing worse nor more unforgivable in Northern Ireland than the attacks by so-called Loyalists on members of the police force. We have all seen and condemned them, but I shall give just two examples. I went to talk to a young constable who had proudly bought his own home. He and his family had been burnt out of it by

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a petrol bomb. They had taken refuge in one of the houses that had been provided expeditiously by the emergency housing authority.

I talked to the young man about the practical questions—what compensation would he get, would he be able to buy another house, would his mortgage be extended, would his bank lend him money when it knew he was a target? But what will remain with me was not our discussion of the practicalities but the look of sheer hurt and bewilderment that he, as a police officer, who had come into the service to do his utmost for the community, should now suddenly be petrol-bombed and burnt out of his home by people who called themselves Loyalists.

The second example was in Dungannon. In the basement of the police station, I was shown six plastic bags. Those contained all that remained of the belongings of three young policewomen. These three girls, all of them of the age to be the daughters, if not the granddaughters, of every hon. Member present, had joined the RUC and were living in flats provided by the police in Dungannon. One night, all three were bombed and everything that they had was smashed or destroyed. All that was left of their possessions was put into the plastic bags. I looked inside and saw a charred squash racket, a few pairs of shoes and some underwear. That was all that was left. And these girls too put it simply: "How can those who call themselves Loyalists do that to us, the police?"

That is the working reality for many Northern Ireland policemen. They are faced with terrible dilemmas a result of the agreement. It is essential that the RUC should not be depicted in Northern Ireland either as the guardians of the agreement, for they are not, or, as some would suggest, as being duty-bound to their communities to oppose the agreement, which they must not do either. The police are politically neutral. They must be impartial. They are not the servants of any Government. They serve the Queen as the limbs of the law. Just as the police during the miners' strike here were not enforcing the wishes of the Government, so the police in Northern Ireland must not be seen to be the enforcers of Government policy either. They must be seen to be the impartial guardians of the law, and they come into the Anglo-Irish agreement only when persons use violence or illegality against it. If the police will keep that clear line in their minds—that they guard the law, not the agreement—many of their dilemmas, I believe, can be resolved.

I turn to some of practical questions that I hope that my hon. Friend will mention in his reply; if he cannot deal with them fully, perhaps we may discuss them in other ways. The right hon. and learned Member for Warley, West was right to mention Mr. Stalker. I have known a deal about the Stalker investigation for a long time. I confess that I have always visualised a disturbing denouement when all the facts became known.

It is unfortunate that the same chief constable who has been asked to take over Mr. Stalker's investigation—and I wish him good luck in it and hope that he will be speedy in his conclusion — has also been asked to examine the personal allegations against Mr. Stalker. It would have been better if a different chief officer had been asked to deal with the Greater Manchester force problems than the chief officer who has been asked to go to Northern Ireland to carry through the Stalker report. Having the same chief officer doing both is bound to lead mischievous people to conclude that there is a connection between the charges that may be brought against Mr. Stalker and the reason why he has been removed from the Northern Ireland investigation. It would be unfortunate for anything to be done in an official capacity that suggested that Mr. Stalker was removed from the investigation because of what was happening in Northern Ireland.

Some hon. Members may have seen the "Panorama" programme the other night when it was suggested that there was a conspiracy and that Mr. Stalker had been removed from the investigation because he was likely to spill the beans. It was suggested that the RUC, in a subversive manner, had decided to rubbish, devalue and besmirch him and to get him removed from the investigation lest he produced embarrassing matters against them. I have no intimate knowledge of the details. But I suggest that the House would be unwise to adopt the foolish conclusions of the "Panorama" programme.

The inference that the RUC has engaged in a deliberate character assassination of Mr. Stalker to prevent his investigation exposing improprieties in that force is a serious allegation against the Royal Ulster Constabulary. Of course, it must be, and I am sure will be, fully investigated, but I hope that the House will not simply adopt such a smear before the evidence is out. Both in the case of Mr. Stalker personally and in the investigation of the incidents that he was dealing with, it is crucial that the job be now done quickly, that there is full disclosure and that this brave force is able to get back to the real business in hand.

Now to my practical points which are rather like a laundry list, for which I apologise. First, the gag. I hope that my hon. Friend will find—with me if I can help—ways and means of solving the problem of the muzzle that has been placed by the Chief Constable of the RUC on the Police Federation for Northern Ireland. This has gone on for far too long. There is right on both sides—I mean no pun in saying that—but it is urgent that the matter be resolved. There will not be a proper relationship between the Chief Constable and the representative body set up by Parliament until the gag is removed.

It is no less important to make speedy progress with the review of the constitution of the police staff association in Northern Ireland. The time has come to take the federation, which represents 99 per cent. of the men and women of the force, out of the staff association corset, which is cumbersome and unwieldy, and allow it to be treated in the same way as police federations are treated in England and Wales. The more closely we assimilate the staff arrangements of the RUC to those which obtain over here, the better for all concerned.

It is important that the question of federation attendance at the police authority is resolved. I had the opportunity to speak with Sir Myles Humphreys about that the other night. The reasons the police in Northern Ireland are excluded from the police authority—they are admitted in every other force in the United Kingdom—are an insult to them. First, they are not admitted because it is alleged that their presence would impair the confidentiality of the police authority's proceedings. That is absurd. Every police officer in Northern Ireland must sign a declaration under the Official Secrets Act. He is used to keeping confidentiality at all times.

Secondly, the police are kept out of the authority because of impartiality. It is alleged that the impartiality

of the police authority would be compromised if the RUC were to be admitted, implying somehow that the federation is a sectarian Protestant body that would upset the balance between the Protestant and Catholic religions. That reason is equally insulting to the federation. I hope that my hon. Friend will try to deal with those petty problems that are impairing morale at a time when it needs to be high.

To conclude, there is progress against terrorism. But difficulties have arisen as a result of the Anglo-Irish agreement. I suspect—I hate to say it—that the Anglo-Irish agreement may, before long, go the way that the Assembly and many of the other constitutional devices that we have attempted to bring in to resolve the problems of Northern Ireland have gone. But whether the agreement stays or goes, I am quite certain of one thing. The future maintenance of public order, the rule of law, the administration of justice, and freedom and security for the people of Northern Ireland must involve cross-border co-operation and a southern Irish dimension. One way or another, that must be brought in to any arrangements for the security and politics of the Province.

To sum it up, many police officers are worried about the Anglo-Irish agreement. Some are bewildered by it. But all of them, operationally, understand the need to work with the Garda.

9.17 pm

Mr. Seamus Mallon (Newry and Armagh): I understand that it is desired that the debate should conclude as quickly as possible. There are indications from certain quarters that it should conclude at around 10 o'clock. Therefore, I shall not speak for as long as the hon. Member for Bury St. Edmunds (Sir E. Griffiths) spoke. This is my first contribution to the debate. The right hon. and learned Member for Warley, West (Mr. Archer) said that it was his sixth contribution. I was not looking forward to the debate.

The hon. Member for Bury St. Edmunds made the most bizarre speech on law and order that I have heard for some time. He reminded me—it is the last time I shall use the expression tonight—of a well-rehearsed supergrass. The hon. Gentleman bore all the traits of those I have seen in witness boxes, who were put through their paces by Government or whatever section of the police service they worked for, and came up with a well-rehearsed piece of evidence. The hon. Gentleman came up with a well-rehearsed piece of evidence rather than a contribution to the debate.

I have seen terrorism and violence. I know what they are. I shall not fall into the hon. Gentleman's trap of recounting all those instances. They are more gory and greater in number than the hon. Gentleman recounted. Everything I shall say in the debate will be said against the background of my abhorrence of all types of violence, from whatever source. Violence was demonstrated in my constituency on Tuesday. A young man whom I knew well —I know his family well—was found lying dead on the side of a road. He had been shot. That night, when I attempted to get to sleep, 150 people with masks on their faces took over my village. They did so in the name of Unionism, which the hon. Gentleman espouses.

That is the type of situation in which we live, so let us please have no condescension and patronising attitudes. Those who live amongst all that is happening know exactly what it is like. We do not need that sort of patronising attitude shown by anyone.

My first crucial point was touched on in the previous debate on other issues. Can there be natural, normal law in an unnatural, abnormal situation created unnaturally and abnormally to sustain an unnatural and abnormal majority within an abnormally divided country?

The right hon. and learned Member for Warley, West pointed out that there is a generation of policemen, lawyers and young people who have never known anything but the Northern Ireland (Emergency Provisions) Act 1978. I did not know anything other than the emergency provisions legislation that went before it, nor did anyone who lived in the north of Ireland. It was much worse than this Act. On one famous occasion, a member of the South African Government claimed to want the provisions of the special powers legislation for his own country. We have had emergency provisions since the day the north of Ireland was founded.

The key question is: can there ever be a normal society, a normal legal process and a normal system of justice in an abnormal society? The answer is no. Unfortunately, as long as Northern Ireland exists and the constitutional position remains unchanged, there will be this type of legislation.

I have always referred to the rake's progress in relation to Northern Ireland because every time one bends the law one makes more paramilitaries. Since 1969, it has been proven conclusively in the north of Ireland that, each time the law is bent, more people join the UDA, UVF, IRA, or INLA. They have been given a reason to become paramilitaries. That rake's progress is there for everyone to see. That is why this legislation is objectionable.

If the legislation were capable of working, it would have worked during the past 64 years, but it has failed. We are faced with the prospect of similar failure during the next 64 years, if this legislation lasts that long. No amount of scare tactics or gory detail will change that reality. To get to grips with the process of justice and law in the north of Ireland, we must realise that reality.

One aspect that is absolutely objectionable in relation to this legislation is the Diplock system in the courts. The House took away the protection that the individual had within the court system — the protection of the jury. While this type of legislation lasts, the House has a duty to replace that protection, at least partially. That will not be the real answer, which is a return to the jury system. Until that system returns, the House must replace it with a system of three judges who hear all cases concerning scheduled offences. Unless that is done, the individual will not have the protection which is normally available under the law and to which he is entitled.

The relationship between policing in Northern Ireland and the position of Mr. Stalker is a controversial point. I found it difficult to restrain myself when the hon. Member for Bury St. Edmunds was making his references to Mr. Stalker. I met that man and I gave evidence to him. I regard him as a man of immense integrity and professionalism and all the innuendos about him are grossly unfair and not worthy of the type of consideration given to them by the hon. Member for Bury St. Edmunds.

Sir Eldon Griffiths: The hon. Gentleman must have misheard. I did not asperse Mr. Stalker. I share the hon. Gentleman's view about Mr. Stalker's professional

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competence. However, I believe that the matter of the investigation into this action, which is sub judice, should be completed quickly.

Mr. Mallon: I was saying that it is evident that it is now coming to the point where a man has been removed from his position without knowing why. He has been investigated by the man who has taken over the leadership of his inquiry in the north of Ireland. That is happening within a British society which claims to have total respect for that which is just and right.

There is a grave suspicion in Northern Ireland that Mr. Stalker has opened a can of worms, that that can has spilt out in more places in Northern Ireland, and that that is part of the reason why a good, honest and just policeman has been made a sacrificial lamb in stakes which are much higher than his own position within the Greater Manchester police service.

I have one simple question to ask which is the key to the issue. There are two elements to the report. The first is the substantive element which Mr. Stalker inquired into in relation to the whole ethic of policing, attitudes towards policing and the type of attitude we have seen within a special branch which was a force within a force. Does that report remain with the Director of Public Prosecutions, the Chief Constable and eventually with the Government, or does it die with Mr. Stalker? That investigation and report cannot be repeated by Mr. Sampson unless he is given at least two years.

The other element of the report is that which deals with the incidents themselves. That can, and I hope will, be speedily investigated and concluded by Mr. Sampson. What about the substantive element of the report? Is that the kernel of the problem or will we see that report coming to the Government and to the attention of the Director of Public Prosecutions and the Chief Constable of the north of Ireland for action? When we know the answer to that, we will know what is behind this problem.

I shall finish on one point, which I raise only because it was raised by the Secretary of State. We are entering into the marching season in Northern Ireland. It is causing and will cause enormous problems for all of us. It is incredible to realise that in 1986 we have over 2,000 such marches in a very small area of land with a very small population. The cost of the marches is incredible, not just financially but in time, inconvenience and loss of businesses. I know, because I live in a village which has a parade of some kind or another every Friday night, apart from those on Sunday. That lasts for seven months of the year.

I listened with interest to the points made and put to the Secretary of State in relation to some other body making the decisions rather than the police. I suggest that it is crucial that the decision must rest with those who take the political decisions because it is only they who can decide whether millions of pounds of our money is spent on making that type of provision. It is only they who eventually will be able, if they have the courage, to say that this cannot continue, year in and year out, to the detriment of the police, business people and everyone trying to live a normal life, and, above all, to the detriment of the public purse. That is where the matter rests.

One of the real challenges of administrative politics is having the courage to go in and make such a decision. No attempt should be made to shove that responsibility on to somebody else. It lies fairly and squarely on the Government Benches.

9.30 pm

Mr. Peter Bruinvels (Leicester, East): Every three weeks my right hon. Friend the Secretary of State comes to the House and answers questions on Northern Ireland and refers to the current security situation. He gives the good and the bad news. He reports on the number of people who, sadly, have been killed in incidents as a result of the security position in the Province. On 5 June 1986 he gave the good news that so far this year 264 people have been charged with serious offences, including one with murder, and 17 with attempted murder. In the same period, 96 weapons, 10,600 rounds of ammunition and 1,200 lb of explosives have been recovered.

The reason why there is a success story comes straight out of the Northern Ireland (Emergency Provisions) Act 1978. Northern Ireland has been a country of conflict. There is no doubt that the RUC has a difficult task. Wherever its men go they are under constant threat. They are courageous. They have to adopt an impartial attitude to the way in which they are able to enforce the rule of law. Two per cent. of the RUC are members of the Roman Catholic faith. They have to deal with many difficulties. The attitudes which they have to take in fighting terrorism in every way possible should be supported in the House. It does not matter to me how a terrorist is caught as long as he is caught. I want the RUC to be given the best possible powers so that they can maintain a free society in Northern Ireland.

Too many lives have been wasted already and too many lives have been lost. If section 11 gives the power of arrest without warrant of any person suspected of being a terrorist, so be it. That is taking the terrorist off the street. *[Interruption.]* Labour Members may object to the plain truth, but too many people are suffering in Northern Ireland. Northern Ireland is part of the United Kingdom and we should give it proper protection.

There are 11,000 members of the RUC and 10,000 members of the Army in Northern Ireland and if we are to catch terrorists they must have every possible resource before them. This order is just one of the useful ways of fighting terrorism. It will not get just the members of the IRA. Indeed, it does not. It will get the paramilitary organisations and the other people who are undermining society over there.

However, we must face the fact that the security forces in Northern Ireland are living dangerously. Fifty-four members of the security forces died in 1985 and 27 have died this year to date. The Democratic Unionist party has said that when the Northern Ireland Assembly goes it will bring politics on to the streets. It is distracting the RUC from trying to catch the terrorist.

The prison officers bravely maintain law and order in the prisons in difficult circumstances, when members of the IRA are deliberately anti-establishment in the prisons. Twenty-four officers have lost their lives in the past 10 years. They need protection on their way home. I want to see more protection for our prison officers. I hope that when my hon. Friend the Under-Secretary replies he will confirm that everything possible is being done to protect the prison officers, not just in the prisons but in their "safe" homes.

The same must be said for all members of the RUC. It is a shocking indictment that a prison officer and a police officer can never be off duty; can never be completely safe. Their names and addresses are openly circulated and if the IRA has an opportunity to get them it will do so because they are seen as the establishment and the IRA will not stomach them.

Therefore, the emergency provisions will help security, just as much as America, which is now responding on the extradition treaty and, indeed, seems to be calming down on the amount of money being sent through Noraid. I believe that our forces are still acting within the law. That is not a hope but a genuine belief. The courts have been very responsible. As my right hon. Friend the Secretary of State has said, they have difficult duties and responsibilities to bear. When they sentence people—all right, they may have been charged following a supergrass trial they are guilty. The more guilty people who are convicted and put into prison, the better. If it means that there is no time for jury trials, so be it. I have faith in the judicial system in Northern Ireland. My right hon. Friend the Secretary of State has already admitted that he will improve safeguards for suspects.

Much has been said about the Anglo-Irish agreement. It is common knowledge that I am not its greatest fan. But it is early days and we cannot yet tell how much improvement there has been in cross-border co-operation. However, it certainly seems better than before. The two police chiefs are now talking to each other, and security on the border is being regularly maintained. The House must always back the security forces in fighting violence.

The agreement has certainly meant close border co-operation. Much more must be done. We are lucky if an IRA attack is shown on national television. We have become rather complacent about the number of attacks and incidents in Northern Ireland. It is no longer news to see someone being bombed. That is no good. We as a people must fight the terrorists, with force if necessary. The Americans, who are still giving to Noraid, would be shocked if they knew how so many brave security officers had been murdered and attacked. If we could give full reports of those incidents and could describe exactly how someone had been murdered, the Americans would no longer believe that they were funding political folk heroes, and would realise that they were funding political cowards who do not believe in the democracy of Northern Ireland.

This order is essential for the continued future and safety of the people of Northern Ireland. They want the order. It has been in existence for a long time. While waiting to be called, I have read the Northern Ireland (Emergency Provisions) Act 1978 in its entirety. Many of its provisions, introduced, incidentally, under a Labour Government, have assured better security for the people of Northern Ireland.

There is always controversy over religion, but talk of the heroes of the south of Ireland is not acceptable to the people of the north. The border must be maintained even more carefully. There must be regular patrols. We must publicise the outrageous acts of the IRA, and be even more prepared, now that Colonel Gaddafi, that madman and warmonger, has announced that he is to recommence donating substantial sums to the IRA, to put all members of the RUC on red alert. Colonel Gaddafi is talking about giving £1·3 million to kill innocent people. That is state terrorism.

Mr. Bob Clay (Sunderland, North): What about the people killed in Libya by aeroplanes from British bases?

Mr. Bruinvels: In the other place the Lord Chancellor said that state terrorism was a treasonable offence and that the death penalty was already available for it. If we had the death penalty for terrorism, the IRA would think again. If three or four terrorists lost their lives, they would not become the martyrs that they imagine. We must be tougher about protecting a very important part of our country. The order will ensure regular safety and protection under the law for the inhabitants of Northern Ireland. We owe that to them. Peace must be maintained. I am surprised that Opposition Members cannot support an order that will ensure peace and that will protect those who need our protection now.

9.39 pm

Mr. Martin Flannery (Sheffield, Hillsborough): Mr. Speaker, can you tell me when the winding-up speeches are supposed to begin? I do not want to intrude on anyone's time. I have had to sit and listen to the hon. Member for Bury St. Edmunds (Sir E. Griffiths) speaking for longer than either of the Front Bench spokesmen and the rest of us could not get in to speak. I will be as quick as I can and make a few points.

We have heard miserable nonsense from Conservative speakers and nothing political emerged from the speeches. The Northern Ireland problem is political and it needs political answers. The hon. Member for Bury St. Edmunds spoke at massive length but did not speak a single word of politics. I do not need to say anything about the speech of the hon. Member for Leicester, East (Mr. Bruinvels).

The debate is about the emergency provisions and the account by Sir George Baker. The National Council for Civil Liberties set out in its evidence to Sir George Baker—and this bears out the point made by my hon. Friend the Member for Newry and Armagh (Mr. Mallon)—the reasons why the council came into being. Having been given so little time to speak, this will be my major point. The NCCL stated that it was Northern Ireland which brought it into being. The NCCL stated in its evidence to Sir George Baker:

> "In 1936, the NCCL established an independent Commission of Inquiry to take evidence in Northern Ireland and to examine the administration and constitutional validity of the Civil Authorities (Special Powers) Acts, the precursor of today's Emergency Provisions Act.
>
> It reported in 1936 and concluded that through the operation of the Special Powers Acts, 'contempt has been begotten for the representative institutions of government'; that 'abrogation of the rule of law has been so practised as to bring the freedom of the subject into contempt'; that the Acts had secured the domination of one political faction which by its actions had driven legitimate movements underground into illegality—thus driving its opponents into the ways of extremists; and lastly that the Acts had been used against innocent people whose injuries had gone unrecompensed and disregarded."

That is the position with the Emergency Provisions Act. It is present because one faction, aided by the Labour party and the Tories, was allowed to develop until it festered and blew up in our faces. In the face of that, all we hear from the Conservatives is a miserable account of what is happening about security. We have not heard a single sentence about how to solve the problem. I hope that my hon. Friend the Member for Middlesbrough (Mr. Bell), speaking from the Opposition Front Bench—and I am cutting my speech short to hear what he says—

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will, in all conscience, say something political. The people in Northern Ireland will continue to be slaughtered as long as the border exists, and as long as nothing is done to remove the border which is wrong and abnormal, and which is stealing territory from a sovereign nation which once again wants to be sovereign.

9.43 pm

Mr. Stuart Bell (Middlesbrough): I am grateful for the opportunity to wind up this debate on behalf of the Opposition and to follow the remarks of my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery). He is absolutely right to say that, in the context in which he made his short intervention, we are dealing with a curious situation in Northern Ireland. Northern Ireland is a democracy and we are part of a democracy. Northern Ireland has an international border and that border causes total instability and destabilises democracy in Northern Ireland and the democracy of these islands.

I recently had the opportunity to write an article in which I stated that the difficulties and problems of Northern Ireland spoil the harmony of our own country. The problem that we have discussed at length earlier will continue to fester and cause us heartache. However, more than that, it will cause heartache and distress to those who live in Northern Ireland. The consequences of the instability can be seen every day of the week. The hon. Member for Bury St. Edmunds (Sir E. Griffiths) made a long contribution — as he sat through the previous debate for most of the evening—and he referred to the difficulties faced by the police and the attacks made on members of the Royal Ulster Constabulary.

I have before me a magazine called *Focus*, the magazine of the Police Federation for Northern Ireland. It states:

"In March, 43 police officers had their homes attacked and 11 families have had to flee from certain areas. The attacks . . . have . . . been particularly brutal."

I could go on at greater length, because there are quite a few of those attacks on members of the RUC in Northern Ireland. They have shocked the conscience of the British people as much as the IRA. I have always taken the view that the IRA cannot and will not bomb or terrorise the people of these islands into any sort of submission along the lines of IRA policy. That is inconceivable in the long run. It is similar to the remark that I believe Winston Churchill made in 1943 about Germany and Hitler:

"What kind of people do they think we are?"

What sort of people does the IRA think we are? The paramilitary—those who have perpetrated such violence on members of the Protestant community — equally reveal the deep wells of hatred and cynicism on both sides of the sectarian divide, adding to the destablising situation.

We in the Labour party make no bones about our position. The hon. Member for Bury St. Edmunds spoke in fear of our next election manifesto, and thought that we might have a policy that gave dates for withdrawal from Northern Ireland or some such aspect. I only repeat the remarks made by the Secretary of State earlier. He said that he could not anticipate the legislation to be announced in the Queen's Speech. I cannot anticipate our legislation, and what will be in our manifesto. However, I can assure the hon. Gentleman that our policy is that we believe in a united Ireland. We believe that we should work for that united Ireland. We believe that, in the long run, Ireland will be united in peace and through the consent of the people of the north. That is our objective, and that is our policy.

With regard to the renewal of the emergency provisions, it is a matter of deep regret that they are before us at all. One has to understand the deep anxiety that we feel on issues such as the Diplock courts. The hon. Member for Bury St. Edmunds made an interesting and intriguing point. Will extradition take place from the United States to a country where a judge takes the role of 13 people? He takes the role of the 12 members of the jury and that of the judge. He is not only the arbiter of the law but the arbiter of the facts. In all the cases that I have taken before our criminal courts, the judge always addresses the jury and tells them that the question of fact is a matter for the jury. I respect the judiciary, and I associate myself and my colleagues with the remarks of the Secretary of State about the judiciary in Northern Ireland and the Lord Chief Justice, but it is too great a burden on a single individual for him to have to disseminate the facts as well as the law.

We are most concerned, and have been for many years, about the supergrasses. There was an interesting review of the entire supergrass system in the *Law Quarterly Review*, in an article by Steve Greer, a lecturer in law at the university of Sussex. He makes several cogent and important points about supergrasses, and about how we in England and Wales have handled the trials of those who have given evidence against their former accomplices. He shows the great discrepancy that is developing between the law of our own country and the law in Northern Ireland. Therefore, it makes us all extremely nervous to be confronted with section 7 of the Northern Ireland (Emergency Provisions) Act and to have to vote for it.

As my right hon. and learned Friend the Member for Warley, West (Mr. Archer) said, we repeat our support for the security forces, and for all those who fight terrorism. We are as happy as anyone in this country at the finding of guilty in the Old Bailey trial of the Brighton bomber and his cohorts, and the case of the Droppin' Well incident, when there were pleas of guilty. We support all those actions of the security forces.

We are nervous, and we have consistently pressed the Government to implement the recommendations of the Baker report. I note that the Secretary of State is present for the reply to this debate and we congratulate him on the positive approach he has taken with regard to the implementation of the recommendations of the Baker report. Former Secretaries of State have told us that they proposed to carry forward these recommendations, but tonight we have had an assurance that these recommendations will be brought in within the lifetime of the present Parliament. I do not know whether that gives us a hint as to when the next general election will be, but the promise is welcome.

As my right hon. and learned Friend the Member for Warley, West has said, we have waited three years and we have still not got those recommendations on the statute book. Therefore, in the interest of our constitutional duties as well as in the interest of the fine balance between the civil rights of an individual and the courts and the powers of the police in our country, we have no alternative—I say this with the utmost sincerity and firmness—but to divide the House.

9.50 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): I apologise in advance that I will be unable to address myself to a number of the detailed points that have been raised in the course of the debate because I have had to truncate my remarks. I recognise that a number of Members have raised questions concerning the Stalker report and I shall address that matter immediately.

I wish to make it absolutely clear that neither my right hon. Friend nor myself have seen the report submitted to the Chief Constable by Mr. Stalker. On 13 June my right hon. Friend told the right hon. Member for Strangford (Mr. Taylor) that he understood this to be an interim report. At one point, however, there was a misunderstanding, wherein my right hon. Friend and myself believed it to be a final report on which certain supplementary questions had been asked. In fact, this was an interim report and I regret if anybody has been misled as a result of our misunderstanding.

The task, upon which Mr. Stalker had embarked and had largely completed, will now be carried to its conclusion by the same inquiry team consisting of the same officers but now under the leadership of Mr. Colin Sampson, the chief constable of West Yorkshire. As I have not seen the report, I cannot comment further on the suggestions that have been made in the course of this debate. I certainly agree with those right hon and hon. Members who urge that the report should be carried through to a conclusion as quickly as possible. We are anxious to see that that happens.

The right hon. and learned Member for Warley, West (Mr. Archer), who opened this debate, sought to explain the position of the Labour party in relation to the renewal of these provisions. I would not suggest for one moment that the Labour party is not aware of, and does not sympathise with, the problems that are faced by the security forces in Northern Ireland. I do not question its total opposition to terrorism in the Province, but I question its judgment in deciding to vote against this order tonight. I agree with my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) that it would be a gross dereliction of duty if this House did not pass this order to renew these provisions which are absolutely essential to the continued battle against terrorism in Northern Ireland.

The right hon. and learned Member for Warley, West implied that, in some way, we now accept these provisions as an entrenched feature of life in Northern Ireland and that they are easily passed by this House. We continue to renew the provisions every six months, to go through them with some care and to answer the points made about them. Equally, we have had frequent and totally independent reviews conducted into the nature of this legislation, most recently by the late Sir George Baker who concluded, among other things, that we could not do without legislation broadly along the lines that at present exists. Nobody takes this for granted and we want, as my right hon. Friend said in opening this debate, the minimum movement away from normality in Northern Ireland necessary to cope with the situation that confronts society, and especially the security forces in the Province.

I cannot comment on the particular case about Miss Walsh which the right hon. and learned Gentleman raised. It predates even my time in Northern Ireland, and I do not quibble. However, the armed forces are empowered to arrest under section 14 and the police under section 11 of the legislation. Therefore, if the armed forces arrested Miss Walsh, they would have done so under section 14. Regarding armed forces' arrests and police arrests, we intend to introduce in an amendment the test of reasonable suspicion. I hope that the right hon. and learned Gentleman will regard that as a move in the right direction. The power of detention is included in section 12, and, although we have no intention of reactivating or reusing that power, the Government judge that it would be premature to remove it from the statute book now.

I must challenge the right hon. and learned Gentleman about his allegation of falling standards of justice in Northern Ireland. I do not believe it is possible to follow the road he suggests of ruling out in all circumstances uncorroborated evidence, even where it is given by a former accomplice. However, one can expect the courts to treat any such evidence with the utmost rigour, and in Northern Ireland they do just that.

When the Director of Public Prosecutions decides whether to prosecute, he must make his decision on the basis that if there were a jury a conviction would be likely beyond reasonable doubt. That is the only standard applied by the courts in Northern Ireland. The judges must warn themselves about the danger of accepting such evidence, and if there is a conviction, unlike the position in Great Britain, anyone convicted in a court of first instance or in the High Court of Northern Ireland has an automatic appeal to a three-judge court. The DPP and the judges in the courts in Northern Ireland have, with the utmost integrity, sought in the most difficult circumstances to uphold standards of British justice.

My hon. Friend the Member for Bury St. Edmunds delivered a message to absent Unionist Members of this House with force and vigour, and I hope that they have ears to hear that message. He paid a proper tribute to the police forces of Britain, Ireland and the continent and to the law enforcement agencies in the United States. There is a new mood of co-operation about in the international battle against terrorism. I do not claim that we have beaten terrorism either internationally or within the island of Ireland. The IRA, in particular, and other terrorist organisations retain their ability to murder and maim, but there is a new momentum, not least within the island of Ireland, where it can be attributed to the Anglo-Irish agreement and the impetus that that has given to cross-border security co-operation.

My hon. Friend asked about defendants who might seek to avoid extradition from the United States, even after the passage of the supplementary treaty by the whole of the Senate. He said that they could claim that they had not or would not receive a fair trial in Northern Ireland. I would not expect that to happen. When the United States federal judge Sprizzo upheld Joseph Doherty's appeal against extradition in 1984, he also made absolutely clear his opinion that Doherty had received a fair trial in Belfast in 1981. He specifically rejected the contention that the Northern Ireland system of justice, including Diplock courts, was unfair. We expect United States courts to continue to get that right. It was a most important judgment, of which I hope that other courts in the United States will take note.

In cases where these matters are in dispute, we certainly make available witnesses to go to courts in foreign

[Mr. Nicholas Scott]

jurisdictions to give evidence about the nature of the judicial and prison systems in Northern Ireland and any other factors that may be taken into account by the courts.

My hon. Friend went on to pay particular tribute to the men and women of the Royal Ulster Constabulary. That was echoed by my hon. Friend the Member for Leicester, East (Mr. Bruinvels) who also mentioned, rightly, the pressures that prison officers are under at present in Northern Ireland, and paid tribute to those prison officers. I endorse both tributes. By financial and other forms of support, the Government have shown their support for the work that has been done by the RUC. Expenditure on the police service has increased fivefold in the last 10 years and there have been two increases in the authorised establishment in the last five years. In terms of the total hours worked in Northern Ireland, we have now the highest level of police effort since the time of the hunger strike in 1981. That shows the Government's commitment to the Royal Ulster Constabulary.

Other points have been raised in the debate. I shall write to hon. Members to clear up any outstanding matters. I commend the order to the House.

Question put:—

The House divided: Ayes 138, Noes 57.

Division No. 228] **[10.00 pm**

AYES

Alexander, Richard
Ancram, Michael
Ashby, David
Ashdown, Paddy
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Bellingham, Henry
Benyon, William
Best, Keith
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Bruinvels, Peter
Budgen, Nick
Burt, Alistair
Carlisle, John *(Luton N)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Coombs, Simon
Cope, John
Couchman, James
Crouch, David
Currie, Mrs Edwina
Dover, Den
Dunn, Robert
Durant, Tony
Evennett, David
Eyre, Sir Reginald
Favell, Anthony
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heseltine, Rt Hon Michael
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hughes, Simon *(Southwark)*
Hunter, Andrew
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knowles, Michael
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Livsey, Richard
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Maude, Hon Francis
Merchant, Piers
Meyer, Sir Anthony
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Murphy, Christopher
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E.
Powell, William *(Corby)*
Powley, John
Proctor, K. Harvey
Raffan, Keith
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roe, Mrs Marion
Ross, Stephen *(Isle of Wight)*
Rowe, Andrew
Scott, Nicholas
Sumberg, David
Thomas, Rt Hon Peter
Thurnham, Peter
Twinn, Dr Ian
Wakeham, Rt Hon John
Watson, John
Wells, Bowen *(Hertford)*
Wheeler, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

NOES

Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Brown, N. *(N'c'tle-u-Tyne E)*
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Carter-Jones, Lewis
Clay, Robert
Clelland, David Gordon
Cohen, Harry
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Foster, Derek
Freeson, Rt Hon Reginald
George, Bruce
Haynes, Frank
Hughes, Robert *(Aberdeen N)*
Hume, John
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
Madden, Max
Mallon, Seamus
Maynard, Miss Joan
Michie, William
Nellist, David
Pavitt, Laurie
Pike, Peter
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Robinson, G. *(Coventry NW)*
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Snape, Peter
Soley, Clive
Straw, Jack
Wareing, Robert
Welsh, Michael
Williams, Rt Hon A.
Winnick, David

Tellers for the Noes:
Mr. Norman Hogg and
Sir Ray Gower.

Question accordingly agreed to.

Resolved,

That the draft Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No. 2) Order 1986, which was laid before this House on 22nd May, be approved.

NORTHERN IRELAND (INSIDER DEALING)

Resolved,

That the draft Company Securities (Insider Dealing) (Northern Ireland) Order 1986, which was laid before this House on 1st May be approved.—*[Dr. Boyson.]*

NORTHERN IRELAND (COMPANIES)

Resolved,

That the draft Companies (Northern Ireland) Order 1986, which was laid before this House on 1st May be approved. —*[Dr. Boyson.]*

NORTHERN IRELAND (BUSINESS NAMES)

Resolved,

That the draft Business Names (Northern Ireland) Order 1986, which was laid before this House on 1st May be approved. —*[Dr. Boyson.]*

NORTHERN IRELAND (COMPANIES CONSOLIDATION)

Resolved,

That the draft Companies Consolidation (Consequential Provisions) (Northern Ireland) Order 1986, which was laid before this House on 1st May be approved. —*[Dr. Boyson.]*

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

Betting, Gaming and Lotteries

That the draft Pool Competitions Act 1971 (Continuance) Order 1986, which was laid before this House on 21st May, be approved. —*[Mr. Peter Lloyd.]*

Question agreed to.

Council House Sales (Valuation)

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Peter Lloyd.]*

10.12 pm

Mr. Ian Gow (Eastbourne): Sometimes an hon. Member is able to bring to the attention of the House a particular case which reveals a failing in legislation, and where the Minister, by adminstrative action, can remedy an injustice not just for the citizen who has sought help from his Member of Parliament but for thousands of others as well. The House is considering such a case this evening.

My hon. Friend the Minister, to whom I owe a great deal, will be able, by administrative action, to help not only my constituents Mr. and Mrs. Lee, who have journeyed to Westminster for the debate, but many others in a similar situation. Mr. and Mrs. Lee live at 23 Colwood crescent, Eastbourne. Mr. Lee is a skilled mechanic, working six days a week. His wife looks after their four year old son Daniel. They are a super family. Their house at 23 Colwood crescent is owned by the Eastbourne borough council. Last year, Mr. and Mrs. Lee sought to exercise the right conferred on them by Parliament to buy their own home. On 2 August 1985, the borough secretary wrote to my constituents placing an open market value of £17,500 on the house, from which Mr. and Mrs. Lee were entitled to deduct 39 per cent. because of their nine years' tenancy. Quite properly the borough secretary said in his letter:

"As mentioned in my previous letter, the above property is a prefabricated reinforced concrete house of the 'Parkinson' type. I must point out that should you decide to proceed with the purchase of the property, you will not be entitled to assistance from the Housing Defects Act 1984."

When Mr. and Mrs. Lee received that letter they consulted their Member of Parliament about the value of £17,500 which had been placed on their defective house. On 9 August that Member of Parliament wrote to the borough secretary in the following terms:

"Is it really the view of your Council that, if it was to place this house on the market, the price which it would realise (freehold and with vacant possession) is £17,500? Have you asked Estate Agents for their advice as to the price which they think that they would be able to obtain for your Council, at the present time, if it was minded to sell the house with vacant possession?"

The borough secretary replied on 19 August as follows:

"It is correct that the Council considers the value of the property to be £17,500. I have not sought any advice from Estate Agents on this matter. If Mr. and Mrs. Lee consider that the valuation is incorrect, perhaps you would remind them of their rights under Section 11 which I did point out to them in my letter of 2nd August."

Mr. and Mrs. Lee did indeed exercise their right of appeal to the district valuer. On 28 February 1986 he issued his determination, from which I quote:

"The property was inspected on 16 January 1986 and is a semi-detached, 3 bedroom house of prefabricated reinforced concrete construction with a tiled roof and was built in the 1920s. . . . Representations either verbal and/or written from the landlord and the tenant have been considered together with all relevant valuations and available market evidence. Accordingly I determine the market value in accordance with the Act as at 10 April 1985 at £16,250. . . . No structural survey has been made".

So the district valuer decided not to make a structural survey even though he knew that this was a prefabricated reinforced concrete house of the Parkinson type.

Mr. Lee came to my surgery on 5 April and handed to me the district valuer's determination dated 28 February. Three days later, on 8 April, I wrote to the district valuer as follows:

"My constituent Mr. Glen Lee . . . came to see me on Saturday morning. He handed to me your letter to him dated 28th February 1986, and I have before me a copy of your Determination of the same date. In the sixth paragraph of your Determination you say that you have considered 'all relevant valuations and available market evidence'. So that I may advise my Constituent, could you please make available to me those 'relevant valuations and available market evidence' which you considered? Why did you make no structural survey of this property? Surely, when you know that this is a Parkinson type house, there is a overwhelming case for a structural survey to be carried out?"

The district valuer replied to my letter of 17 April:

"I am looking into the questions you have raised and will write again as soon as possible."

On 21 April the chief valuer's office wrote to me as follows:

"It would not be appropriate for him"

that is the district valuer

"to give you the information which you now request. The DV has made his statutory determination using his professional knowledge and taking into account all relevant matters of which he was aware. . . . I regret that I consider further discussion of any individual cases subsequent to a determination would serve no useful purpose."

I was dissatisfied with that reply from the assistant chief valuer. Three days later, on 24 April, I wrote to the chairman of the board of Inland Revenue, Sir Lawrence Airey, in the following terms:

"In my opinion, the two specific questions which I asked . . .of my letter dated 8th April were reasonable questions to be put by a Member of Parliament, who has been consulted by one of his Constituents. May I ask, please, that you should re-consider the Assistant Chief Valuer's decision not to answer those two questions?"

Meanwhile on 29 April, the private secretary to my hon. Friend the Minister for Housing, Urban Affairs and Construction had written to me about a possible approved method of repair for the Parkinson type of house. The private secretary said:

"The NHBC

the National House-Building Council

tells us that two firms are now preparing schemes for the repair of Parkinson houses but that none has yet been submitted for appraisal. We have approached both of those firms . . . direct. Both are engaged in other, commercially more attractive, repair schemes and although they are proceeding with the development of schemes for Parkinson houses, they doubt that these will be submitted for approval until the summer. This means that they could not be approved, if that was indeed the outcome, before the autumn."

I sent a copy of that letter dated 29 April to the district valuer on the following day. I asked him to confirm that when he placed a value of £16,250 on the property he had taken proper account of the information contained in the private secretary's letter. That is relevant, because the building societies are extremely reluctant, and in many cases refuse, to lend on the security of an unrepaired, prefabricated reinforced concrete house. That reluctance or even refusal of building societies is even greater where there is no approved method of repair. I have not received a reply to my letter dated 30 April 1986 to the district valuer, although, in fairness to him, I should say that he has written that he hopes to be able to reply shortly. The answer is simple, had he taken into account that fact of which I believe he was unaware when he made the

valuation—namely, that there is no approved method of repair and there will not be one until the autumn of this year.

Another option was open to my constituents. If they were dissatisfied, as they were, and in my view rightly, with the valuation which had been placed on the house originally by the borough council and then the reduced value of £16,250 by the district valuer, it would have been possible for them to have achieved their ambition and hope of becoming owners rather than tenants if the borough council had been willing to move them and their son, Daniel, to another council property and to move into 23 Colwood crescent a family that did not want to exercise the right to buy.

I wrote to the chairman of the housing committee of the Eastbourne borough council on 8 May in the following terms:

"The District Valuer has now re-determined the value of the property at £16,250. Mr. and Mrs. Lee and their Member of Parliament believe that that figure of £16,250 is still much too high; that is to say that if your council was to offer the property for sale with vacant possession, we do not believe that it could find a purchaser who would pay £16,250 for the property. As you know, Building Societies are most reluctant to lend, if they will lend at all, on the security of an unrepaired prefabricated reinforced concrete house . . .

However, the purpose of this letter is to ask whether your Council will please re-consider its decision not to offer a transfer for Mr. and Mrs. Lee. Many of your tenants do not wish to buy their home, or cannot afford to buy their home. Because of the problems, which are self-evident, in Mr. and Mrs. Lee buying their present home, would it not be reasonable for a tenant who did not wish to buy or who could not afford to buy to live at 23 Colwood Crescent, and for Mr. and Mrs. Lee and their son to move into another of your properties, not made of pre-fabricated reinforced concrete?"

On 14 May I received an acknowledgement from the chairman of the housing committee saying that the request which I had made for a transfer would be considered at the meeting of the housing committee on 28 May. To my regret, the chairman has not replied to me, even though the housing committee met as long ago as 28 May.

On 20 May I received a letter from the deputy chairman of the Board of Inland Revenue:

"The District Valuer, who does not act for either party, is required to give his valuation of the price which the property would realise at the relevant time if sold on the open market . . . the District Valuer is put in the position of an independent expert here. The legislation makes no provision for appeal, nor is the District Valuer required to render an account of how his professional judgment was informed and exercised . . . There is no invariable rule on the necessity for structural surveys in the valuation process."

Those are the facts of this case. All that Mr. and Mrs. Lee ask is that they should be enabled to exercise that right to buy which the House has conferred upon them. They have the misfortune—not from their choice, but because of the accident of events—to live in a prefabricated reinforced concrete house owned by Eastbourne borough council. They have a choice—either they can buy their present house at the value determined properly under what is now section 127 of the Housing Act 1985—

"The value of a dwelling-house at the relevant time shall be taken to be the price which at that time it would realise if sold on the open market by a willing vendor"—

or the council could, and I believe should, accede to Mr. and Mrs. Lee's request for a transfer to a house of conventional construction.

As to the second option of a transfer, I readily concede that that does not fall within the responsibility of my hon. Friend the Under-Secretary of State or of any of his ministerial colleagues. That is a matter for the borough council. But it is within my hon. Friend's responsibility to deal with this question of a valuation. I believe that in a case of this kind, when it is known that the property is defective and is of a Parkinson type—a type designated under the Housing Defects Act 1984—it is surely right that there should be a structural survey.

Reflect on this: it would be inconceivable for someone buying that house on the open market, knowing of its defects, to proceed without a survey. If that is the standard on which anyone buying in the private sector would insist, there should be no lower standard where the public sector is involved.

I believe that the district valuer should be willing to disclose in cases of this kind the evidence on which he has based his valuation—in this case £16,250. There is no need to give names or addresses. My constituents, Mr. and Mrs. Lee, could have been satisfied, although I think it most unlikely, if the full evidence on which the district valuer had based his valuation had been made known to them and to their Member of Parliament. It is not truth that shrinks from disclosure, it is only the possibility of a valuation which could not be sustained by the facts and the true evidence which shrinks from disclosure.

The deputy chairman of the Board of Inland Revenue was right when he said that under what is now the Housing Act 1985 there is no provision for appeal against the determination by the district valuer. That is so. However, I say to my hon. Friend the Minister that it is always possible to seek a judicial review of conduct of this kind by a district valuer.

The action which I hope that my hon. Friend will take is, as I said, administrative. It does not require legislation. In a case like this the Inland Revenue should ask district valuers to make a structural survey. The Inland Revenue should make available the evidence on which it bases the valuation which is fixed by the district valuer. It is all the more important that that evidence should be made available at the request of the prospective purchaser where there is no right of appeal against the decision of the district valuer.

It may mean that when the story of these times comes to be written the case of the Lee family will not receive even a footnote in the history books. However, their case is one which deserves the sympathetic consideration of the Government. The case of Mr. and Mrs. Lee is reproduced over and over again in other constituencies, and I hope that my hon. Friend the Minister will be able to give me the assurances for which I ask. I remind my hon. Friend that there remains one last protection for a citizen who has been treated unfairly and that is to petition the courts for a judicial review of an administrative decision of this kind.

10.32 pm

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I begin by saying how fortunate Mr. and Mrs. Lee are to have such a diligent Member to champion their case in the House. No one who listened to what my hon. Friend the Member for Eastbourne (Mr. Gow) said could fail to be moved by the story of Mr. and Mrs. Lee, who are simply trying to exercise a right given to them by Parliament and purchase a house at a price that they feel to be fair.

Some of the questions put to me by my hon. Friend fall outside my ministerial responsibility. As he will know better than me, part of the responsibilities he referred to

[Sir George Young]

relate to the Treasury. The particular points he put to me, that it should be mandatory to make a structural survey and that evidence should be disclosed by the district valuers, are matters which fall to my colleagues at the Treasury to whose attention I shall bring those observations.

My hon. Friend's contributions on the subject of the right to buy are always particularly welcome in view of his knowledge and experience as a former Minister for Housing and Construction. Indeed, he is the architect of the Housing and Building Control Act 1984, which made important improvements in the right-to-buy scheme.

I know, from the work I have done with my hon. Friend, how concerned he has always been to ensure that right-to-buy valuations should be fair. I hope to refer to some of the steps that he took as Minister for Housing and Construction to test their accuracy.

There has been a debate on this matter in the context of the Housing and Planning Bill, which provides for an increase in the discount on a flat sold under the right to buy. The case which my hon. Friend has raised, that of Mr. Glen Lee, concerns a house rather than a flat, a house built of prefabricated reinforced concrete — PRC for short. But the same issue arises — how to establish a fair valuation for a type of property that rarely changes hands on the open market.

My hon. Friend asked some specific questions about the valuations and about making evidence available. In view of his interest, and because I knew that he was going to ask the specific point, I have made some inquiries. I think that my hon. Friend understands that I am not able to reveal the prices at which other Parkinson houses in the area have changed hands because that would be a breach of confidence.

However, I understand that other sales have taken place at prices higher than the value that the district valuer has determined for Mr. Lee's house. That is not conclusive evidence in itself. We do not know how far those prices took account of the nature of the properties, but they do provide a useful input for the district valuer's valuation. Those facts were taken into account, together with other information about the local property market.

Listening to my hon. Friend's speech, it was not quite clear whether he had in his possession a letter to him dated 18 June from the district valuer/valuation officer, dealing with some of the points that he had put in his earlier letter. I am not sure whether my hon. Friend has that letter which begins:

"I hope this reply will reach you in time for Thursday's debate."

Mr. Gow: No.

Sir George Young: It is a misfortune of the post that the copy has reached me but the original has not reached my hon. Friend.

Mr. Gow: What date is it?

Sir George Young: It is dated 18 June and is marked "FIRST CLASS POST".

That letter answers the specific questions that my hon. Friend has put. He asked about the repair schemes for Parkinson houses and that is referred to at the end of the letter where it says:

"As to the matter of repair schemes for Parkinson houses, naturally the property Press is looked at constantly to monitor progress on all PRC houses and although I am aware that steps have started to prepare schemes for Parkinson houses, my determination is related to 10 April 1985 which was before applications were invited for approval."

The letter also deals with other points. I hope that my hon. Friend will receive it in his post tomorrow morning.

In the correspondence my hon. Friend asked what evidence had been taken into account in this determination. The second point that he put to me was why no structural survey had been carried out. I think that my hon. Friend has seen the response given in the correspondence. I am advised that structural surveys of non-traditional houses are of little practical value unless "destructive survey techniques are used."

Those involve the removal of linings and renderings which could cause considerable damage to the property and so might not be acceptable to the prospective purchaser.

But the district valuer had taken into account the report of, at the time, a recent survey of the property which had been carried out by the local authority's structural engineer. The district valuer also considered a report produced by the Building Research Establishment on the structural condition of Parkinson-framed houses.

It seems to me, listening to the debate, that the most fruitful course, given that there is no appeal against the district valuer's valuation, is to pursue the question of a transfer. As my hon. Friend said, it is not a matter within my power to compel Eastbourne borough council to offer a transfer to Mr. and Mrs. Lee and I was distressed to learn that my hon. Friend had not had the courtesy of a reply from the chairman of the housing committee. But if the debate has served any useful purpose, it might increase the pressure on the borough council to offer a suitable property, I hope not of PRC construction, to Mr. and Mrs. Lee. The discount is, of course, transferable should they move to another local authority home. That would be an honourable way out.

An alternative approach is for Mr. and Mrs. Lee not to complete the purchase — they are under no obligation to do so — and if they feel, as my hon. Friend does, that the valuation is unrealistic, and that subsequent events will prove that to be the case, they can reapply at a later date and have another valuation put on the property. They will be entitled to a higher discount as the years roll by. The points concerning the Treasury will be referred to my hon. Friend the Minister, and I know that he will want to write and deal with the specific comments made.

One cannot be complacent about the valuation of property sold under the right to buy. My hon. Friend outlined a real difficulty when the district valuer is required to determine the value of a property that is of a kind that does not change hands often. In such a case, the valuer must make the best use he can of such market evidence as is available. The Government do not think it appropriate to set up a special system of forced sales, which my hon. Friend put forward as one solution to deal with the question of the valuation of flats, particularly in high-rise blocks. There would also be difficulties in arranging for a test sale of a comparable property whenever there is difficulty in valuing a PRC house such as Mr. Lee's.

But we are monitoring re-sales of former council properties in selected areas in order to look for signs that the original valuations were excessive, and will certainly look very carefully at any evidence that there is a significant problem. As my hon. Friend will know from the

exercise that he initiated in the London boroughs of Wandsworth and Ealing, the initial valuations by the district valuer were proved to be roughly in line with market valuations when other flats in the same block were put on the market. I realise that my remarks will not be of any great consolation to Mr. and Mrs. Lee, and that is as much a matter of sorrow for me as for my hon. Friend. But if the possibility of a transfer can now be vigorously pursued with Eastbourne borough council, my hon. Friend's initiative may not have been in vain.

Question put and agreed to.

Adjourned accordingly at nineteen minutes to Eleven o'clock.

House of Commons

Friday 20 June 1986

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

The Arts

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Garel-Jones.]*

9.35 am

The Minister for The Arts (Mr. Richard Luce): I am delighted to have this opportunity to debate the arts. The arts are a British success story. Not only can we take pride in our rich heritage, but we can marvel at their almost astonishing vigour over recent years. They have enjoyed a remarkable expansion on nearly every front.

Since the last war, seven new opera companies and five major new dance companies have been established. Since 1967, the number of arts centres has risen almost tenfold. Over the past 15 years the number of museums in England and Wales has doubled. Over 40 million people a year now attend our museums and galleries and, in the past 30 years, over 30 new theatres have been set up in England alone. It is telling, at a time of considerable national excitement over England's fortunes in the football World Cup, that more people now attend the theatre in Britain than go to football matches.

Increasingly, the arts are a resource for the many, and not confined to the few. That is exactly how it should be. The arts cannot, and will not, grow in a vacuum. They must have an audience. As they expand, this audience—and they have shown quite clearly their capability to do so—they will also enrich and enliven everybody's existence. As Keats said:

"A thing of beauty is a joy forever".

No more impressive example of such vigour and commitment is available than the story of the arts since the abolition of the Greater London council and metropolitan councils. Hon. Members will remember the dark forebodings, the prophecies of doom and Armageddon that flowed from the lips of Opposition spokesmen. We were warned of worthy arts bodies going to the wall, and bleak forecasts were made of first-class artists finishing up in the dole queue. Despite all that, and despite some moments of very real and understandable uncertainty, this has proved to be a success story. The fact is that funding from central Government and local government has more than filled the overall gap left by abolition. This in itself is a tremendous achievement.

Mr. Tony Banks (Newham, North-West): I am sorry to intervene so early in the Minister's speech, but he should not be quite so controversial so early in the morning. No one has said that the immediate impact on the arts following the abolition of the GLC and MCCs would be one of appalling slaughter of the innocents. We know that it will work its way through the system. The Minister intends to reduce the amount of substitute money that he put in to replace the GLC's and MCC's money. He should not congratulate himself quite so soon.

Mr. Luce: The hon. Gentleman is quite wrong. In a moment I shall return to the point. I shall quote exactly what the hon. Member for Paisley, South (Mr. Buchan) said last autumn.

The blossoming of the arts can be helped and facilitated by the Government, but essentially it depends upon the creativity of individuals. British creative genius has left us an artistic heritage among the richest in the world. Britain's artistic life and heritage acts as a powerful magnet for tourism from overseas which in turn means more jobs and a better standard of living for us in this country. Former United States President Jimmy Carter this week is giving welcome encouragement to American tourists by his visit to Wales to see the home of one of our finest poets, Dylan Thomas. Against the background of this efflorescence of individual talent, the Government's basic political pledge to the arts was clear: to keep up the level of Government support and to create the right climate in which the arts could develop and grow by attracting additional support from other sources. That pledge has been kept.

In fact, our spending record outstrips our manifesto commitment. Since 1979-80, central Government spending on the arts, libraries, museums and galleries has gone up by more than 10 per cent. in real terms, or 25 per cent. if this year's extra central abolition money is included. Within this context of growth, let me now turn to specific areas within the arts, each with its own admirable success story.

Since 1979-80, we have increased the Arts Council's grant from £62 million to £136 million or by some 7 per cent. in real terms—32 per cent. including abolition money. We have strongly supported the Arts Council in its "The Glory of the Garden" strategy which is delivering to the regions a fairer share of the overall arts budget.

In now turn to abolition. It is right that I should return to that success story. It is fair, I think, for me to quote the hon. Member for Paisley, South, who on 21 October 1985 referred to

"the cataclysmic collapse in arts funding". [*Official Report*, 21 October 1985; Vol. 84, c. 16.]

as a result of abolition.

Mr. Norman Buchan (Paisley, South) *rose*—

Mr. Luce: I hope that the hon. Gentleman will let me complete this passage. He will have a full chance to reply to it.

Let me now contrast that statement with what actually happened in the real world. The Government gave a total of more than £43 million of extra taxpayers' money to help safeguard the arts in the abolition areas, £17 million of which went to the museums and galleries, and £25 million of which went to the Arts Council. Partly due to the negotiating success of the Arts Council the British Film Institute and the regional arts associations, and partly due to the positive co-operation of the successor authorities, now relieved as they are of the substantial precepts formerly paid to the GLC and the other metropolitan counties, some £15 million of local authority funding was secured. Only last week, I was glad to note that the last remaining major problem area of Merseyside had achieved a settlement of its funding of the arts. That agreement

[Mr. Luce]

means that no major problems remain. Indeed, the fact that the overall combined subsidy from central and local government will be substantially up in real terms over the previous year's figure represents a very notable achievement. I must congratulate the Arts Council, the BFI, the regional arts associations and the local authorities concerned.

Mr. Harry Greenway (Ealing, North): Without widening the debate unacceptably, does my right hon. Friend accept that the extravagant remarks of the hon. Member for Newham, North-West (Mr. Banks) are typical of what was said by those who opposed the abolition of the GLC? We were promised race riots, the end of travellers' free passes, rates explosions, and so on. Remarks on the future of the arts were made in that extraordinarily and ridiculously extravagant context. I am pleased that they have been proved to be totally erroneous. My right hon. Friend is to be congratulated on that.

Mr. Luce: I am grateful to my hon. Friend. I agree that now is the time to compare the remarks made at that time by Labour Members with what events have demonstrated.

The Arts Council allocated some £9 million to the South Bank board. Its chairman, Mr. Ronnie Grierson, and its staff have managed the takeover of the South Bank with great skill. Their intention is to produce a coherent strategy for the whole complex, making it an arts centre to rival any such arts centre anywhere in the world. This lively and impressive approach will, I am sure, meet an enthusiastic response from the public.

Mr. Tony Banks: Will the right hon. Gentleman give way?

Mr. Luce: I have just given way. The hon. Gentleman will have a chance to contribute to the debate, as he so often does.

The BFI is adding to the glories of the South Bank by constructing a museum of moving image. The BFI made it clear from the outset that this was an enterprise that it could manage on its own, and indeed it has. The institute has raised £5 million from private sources for it and the museum will open in the latter half of next year. I wish it every success.

The BFI is constructing also a new conservation centre for the National Film Archive. This is a splendid example of plural funding in action. The BFI has raised £3 million from private sources for it. We have not reduced the level of central Government funding to it just because these private funds have become available. I am conscious that organisations such as the BFI should not be penalised for their success in raising private funding.

In the six years from 1979-80 funding from the arts budget for the national museums and galleries increased by 15 per cent. in real terms—once again a picture of growth. It is fair to say that we have concentrated this increase on much needed capital works and maintenance and on improving the conservation and display of existing stocks and that we have, as a consequence, restricted the overall level of purchase grants. But, we now have the National Heritage Memorial Fund to ease the pressure in that respect.

Looking to the future, the picture is one of general further expansion and development. With commendable initiative, for instance, the Imperial war museum is raising £2·5 million to help supplement Government funding for a major redevelopment; and, to take another example, the "Tate in the North" project will be a significant boost for the Merseyside area.

I am anxious to help the museums and galleries meet the challenge of the late 1980's, which I think I can sum up as making themselves more outgoing and as making themselves more attractive to an increasingly discriminating public. That is why I lose no opportunity to encourage museums and galleries to make their collections more available and accessible to the widest possible audience. They must not be tempted to sit on their treasures. It is right that I should pay tribute to the fast-changing image of the world of museums and galleries from that of fusty buildings housing static displays to that of exciting centres of interest and enjoyment. The growth and vitality of independent museums are critically important here. They are on the leading edge of change. Recently, I visited the Ironbridge Gorge museum, where through the commitment and innovatory talent of its administrators and staff, a whole valley once in decay or decline has been completely revitalised. Earlier this week, I was pleased to announce the museum of the year award to another independent museum, the Beamish museum, which once again has expended effort on making its exhibits "live" and on cultivating the virtues of personal warmth and human interest that act as an irresistable draw to members of the public.

I was very pleased therefore, to be able to announce formally on Monday of this week the implementation of my plans to change the financing arrangements of the nationals to grant-in-aid. Not only will they now have the important flexibility of carrying money over from one financial year to the next and of retaining the revenue earned through their own efforts but, critically, this measure will give them a stimulus to implement innovative marketing strategies.

One of the most important responsibilities of Government is to safeguard Britain's priceless heritage. This has been a major part of our strategy since 1979. In 1980, for instance, we created the National Heritage memorial fund. Since then, it has received over £60 million of public funds. This has enabled the fund to help save for the nation stately homes such as Keddleston, Weston park, and Calke abbey.

Last year, the Government announced an important improvement in the arrangements for acceptance of works of art in lieu of tax. This allows access to the Contingency Reserve for acceptances of pre-eminent heritage items up to an average of about £10 million a year. Wider publicity for these arrangements could help to reap a fine reward for posterity.

I attach great importance to my responsibilities, which cover public libraries, although, of course, the vast bulk of expenditure on libraries is undertaken by local authorities, supported by the rate support grant. The Government have taken two major initiatives: first, we have introduced the public lending right scheme, intended to give a fair return to authors and reflect the size of their readership in public libraries; secondly, we have begun work on the very major project of building a new and modern British library at St. Pancras. On final completion this new library will provide splendid conditions, and house 180 miles of shelving for 12 million books. Services for readers will be immeasurably improved, as will

conservation of the books. The tiresome shuffling of stored books between 20 buildings in Greater London will then be a thing of the past.

Crafts go from strength to strength with more and more people taking up crafts, both professionally and as a leisure interest. The Crafts Council has recently devised a strategy for the national development of the craft economy and education.

As the House knows, the United Kingdom will shortly assume the Presidency of the European Council of Ministers. On the arts side, the United Kingdom is taking the initiative in pressing for more co-operation in sponsorship, conservation and public lending right. During our Presidency, I hope to announce the Government's choice of the United Kingdom city that will become the European city of culture in 1990.

I have spoken of the basic pledge fulfilled by the Government of keeping up support for the arts. Of course, I realise that there are considerable pressures on many arts bodies in the light of the expanding demand and that Government funding falls short of meeting their full aspirations. However, my task goes far beyond setting the priorities of core support. The Government have a broader role than just producing £320 million worth of taxpayer's money for the arts. Indeed, Government expenditure on the arts has never been more than a modest proportion of the total amount of money flowing in to the arts. Essentially, my task is to create the framework and conditions under which the arts can flourish. In pursuing that strategy we have undertaken a co-ordinated pattern of measures and initiatives that I believe now open up prospects of unparalleled opportunity for the arts in this country. I hope that the various arts bodies will respond eagerly to the challenges which this new climate of opportunity presents.

Firstly, let us deal with the challenge of business sponsorship. Business sponsorship of the arts has increased dramatically in recent years and now plays an important part in the funding of the arts. From the starting point of £500,000 in 1976 business sponsorship has now risen to over £20 million per year. The Government's business sponsorship incentive scheme, introduced in 1984, must take a good deal of the credit for that impressive performance. Over £7 million has been raised in that way.

The strengthened Association for Business Sponsorship of the Arts has also ably administered the incentive scheme on my behalf. I shall be announcing more awards under the scheme in two weeks. In addition, one of the largest arts sponsorship programmes ever undertaken by a first-time sponsor will be announced shortly. It will be of tremendous benefit to the arts organisations involved. Recently I announced the continuation of the scheme for 1987-88 and I hope that arts bodies and sponsors will continue to exploit the opportunities it offers to the full.

Then we have the challenge of private patronage. The arts have always enjoyed important support from private patrons ranging from the very wealthy to the very humble. In recent years we have seen a major upsurge in private giving to the arts. As the House knows, Mr John Paul Getty II has made major contributions to British arts and heritage, principally to the BFI and the National Gallery. I hope that the House will share my plesure on learning of Mr. Getty's honorary knighthood, announced last Friday.

We have also seen a most notable contribution from the Sainsbury brothers with their generous commitment to the National Gallery extension. Nor should we forget Mrs. Sainsbury – no relation – with her donation to the Royal Opera House and Miss Woodroffe with he donation to the National Art-Collections Fund. Gifts from major patrons have ranged from £1 million to £50 million. In addition to those gifts of cash, the arts also benefit from gifts in kind. An important recent example was the gift of the trustees of the Stefan Zweig collection to the British library of a very important collection of 180 musical and literary autographed manuscripts spanning three centuries. I join the British library in regarding that as an act of outstanding generosity to the nation.

Then we have the challenge of the Budget changes. The Government are proud of their record in improving the tax incentives and tax reliefs for charitable giving, particularly through the covenanting system. No one should underestimate the Government's major proposals in the 1986 Budget designed to encourage and stimulate charitable giving. In all, they represent an immense opportunity for the arts to develop and expand their plural funding.

A new tax relief for single gifts by companies to charities will bring valuable benefits for both revenue and capital projects. From the beginning of April this year, companies will be able to obtain relief on donations to charities up to a limit of 3 per cent. of the dividend paid in any one year. By introducing relief for single gifts, we are offering companies greater flexibility to arrange their charitable giving. Those arrangements will allow a company that might hesitate about taking on a commitment over several years to undertake to give what it can when it can.

Perhaps the most radical innovation is the proposed introduction of the new payroll giving scheme next year. From April next year employees will be able to have up to £100 a year for charitable gifts deducated from their pay and relieved of taxation. Schemes will have to preserve the donor's freedom of choice and the Government intend that they should be economical to run both by the Revenue and by employers.

Of course, we must control any possible misuse of charitable reliefs for tax avoidance purposes. With that in mind the 1986 Budget introduced measures to control these abuses. My right hon. Friend the Chancellor's announcement on 4 June should allay fears that the anti-abuse provisions in the Finance Bill will adversely affect arts bodies.

These various new Budget reliefs, combined with those that already exist, now add up to a very substantial package of measures, providing a powerful stimulus to the expansion of private funding of the arts.

As I have said, the arts do not live in a vacuum: they depend critically on their relationship with their audience. Reaching the public is not only a measure of appreciation of success of the arts, it also provides a source of income, in sum much greater than that derived from the state. For that reason, marketing is something that no sector of the arts can afford to neglect. Small percentage increases in attendances can make all the difference to the finances of many arts bodies. Consumer spending is buoyant and more and more money is being spent on leisure. Arts bodies can gain by making their grants go further through managing themselves as efficiently as possible, and by marketing themselves more effectively. Marketing is not,

[Mr. Luce]

and should not be, a dirty word in the arts world. After all, no skilled gardener would wish his roses to blush unseen.

To sustain the momentum of this sea change in attitude, I am currently studying ways in which my office could help to encourage arts bodies to market and manage themselves even better. I welcome the Arts Council's own initiatives in that regard. I believe that we are beginning to see examples of many arts bodies showing more thrust in the marketing sense.

Against the background of all the initiatives that we have undertaken there remain some differences of approach between ourselves, and the Opposition parties. Let me deal briefly with the alliance position. The Social Democratic Party has not produced a policy paper on the arts in its first five years. Perhaps that is an indication of the priority which it attaches to the field. In 1982, the Liberals produced a paper promising a wide range of uncosted measures, and the establishment of what seemed like a centralised sounding ministry of culture. Perhaps the two parties ought to get their act together, as they should on their defence policy.

There are two aspects of the Labour party policies that I should highlight. First, Labour would take the funding responsibilities away from the Arts Council, and deal direct with the regional arts associations. That inevitably implies greater centralisation, more direct Government intervention, and most important, an abandonment of the arm's length principle, upon which the independence and free expression of the arts has hitherto depended.

Secondly, the hon. Member for Paisley, South has announced Labour's intention to double expenditure on the arts. I suspect that he means to double it, not as the Government have doubled in cash terms over a period of years, but rather at a stroke as part of Labour's totally unrealistic and dangerous programme of £24 billion of extra Government expenditure. I wonder to what extent the hon. Gentleman is aware of the more realistic approach of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) who said on 13 May:

"The days have gone when we could hope to achieve all our ambitions in the lifetime of a single Parliament. It is necessary for us to fix our clear priorities and to insist that all other tasks and targets take second place."

Perhaps the hon. Member for Paisley, South can reassure us as to whether his proposals have now become a little more realistic.

Sustaining the level of public funding for the arts, and encouraging a new climate of opportunity for the arts add up to a substantial record of achievement for this Government. We have fully accepted the responsibility to supply the core funding needed to preserve our heritage, sponsor excellence and to provide the seedcorn for experimental work and pump-priming. We have also enabled the arts to grow and prosper to meet the rising and legitimate public demands upon them.

The late John F. Kennedy said:

"The life of the arts, far from being an interruption, a distraction in the life of a nation, is very close to the centre of a nation's purpose, and is a test of the quality of a nation's civilisation."

By any standards, the strength of Britain's artistic life ensures that we pass that test with flying colours. But the quotation also has a deeper significance. The arts lie at the heart of our civilisation. They are not something monolithic, which can be developed by diktat from above. The strength of our arts lies in their diversity and independence. The best way of safeguarding that and providing the basis for sustainable growth is for arts bodies not to be dependent on a single source of finance, but to draw their funding from a variety of sources among which the public itself must always be a vital component. I have explained how the Government have devised a framework by which those developments can be facilitated.

All too often, we in Britain have the habit of running ourselves down, always looking on the black side, and failing to recognise genuine opportunities and successes. That national habit of self-denigration is nowhere less appropriate than in the arts today. Increasingly we are seeing more and more of our population enjoying the entertainment and enlightenment which the arts offer. Government policies have created a climate of opportunity to continue that remarkable expansion. For all our sakes, it is important that the arts bodies respond to that challenge and opportunity with an appropriate alacrity.

10 am

Mr. Clement Freud (Cambridgeshire, North-East): I thank you for calling me, Mr. Deputy Speaker. I should like to express my gratitude in particular to the shadow Minister for the Arts, the hon. Member for Paisley, South (Mr. Buchan), who has consented to let me speak at this point, as well as to the right hon. Member for Blaenau Gwent (Mr. Foot), a fellow supporter of Plymouth Argyll who, surely, had a higher claim than did I.

The Minister said that the Social Democratic party seemed to give little priority to the arts, in that it has been in existence for some time and its publications have not yet come to the Minister's attention. I remind him how little priority his Government give to the arts, in having this important debate on a Friday morning, at short notice, when so many people who would have wanted to be here are unable to do so. I accept that it is not the Minister's own doing. Nevertheless, while he is performing a considerably appreciated job at the Office of Arts and Libraries, it is a disservice of Government to have a debate of this importance on a Friday.

I welcome much of what the Minister has done in the way of tax relief and personal schemes, and some of what he has done for the libraries and museums is appreciated there. However, rather than using my speech to make party political capital, I am concerned with the job of Government vis-a-vis the arts: it is to create a climate in which they can flourish. What is needed is an economy that is sufficiently buoyant to permit people to go to see the living arts, music, drama, ballet in which quality must be encouraged. That can be done only by underwriting the centres of excellence. Every person who goes to the National Theatre, the Royal Opera House or the ballet, then goes back and takes his enlightenment and joy to wherever he came from, and perhaps tries to emulate it for his own community.

It is right for the Government not only to encourage more people to participate in the arts, but to make it easier for them by providing transport and ensuring that the training schools for actors and dancers and musicians continue to flourish, in underpinning the infrastructure of training that is so necessary if our supreme position in the arts is to be maintained.

I understand that, pound for pound, we are lower in the league table than most other countries in Europe, but I also accept that the highly sophisticated schemes that were introduced recently are of enormous help and benefit to the theatre. There is the imaginative business support for the arts scheme and incentive schemes. I wish that more people in the House would realise how much those who participate in the live theatre appreciate the presence of the Minister, and of Members of Parliament in general at live performances because it is our endorsement of the living arts that makes those artists feel that we are on their side.

The Edinburgh festival is a marvellous example of what can be done without a proscenium arch and all the impedimenta that most theatres possess. At Edinburgh, one can go into the station waiting room and the actors will show one a marvellous production with dancing and music. There is now a scheme where one can have actors come into one's own hotel room and produce a play there. If one has a bathroom, they will present an even better play.

I very much share in what the Minister said about marketing. I hope that the next time he looks at the business sponsorship scheme, he will make it clear to businesses that, on the whole, what theatre people need most is marketing expertise which, mostly by being theatricals, they tend to lack.

Mr. Toby Jessel (Twickenham): Will the hon. Gentleman give way?

Mr. Freud: I shall let the hon. Gentleman make his own speech.

Mr. Jessel *rose*——

Mr. Freud: I shall give way if the hon. Gentleman insists.

Mr. Jessel: I am grateful to the hon. Gentleman. I intervene as I believe that he is leaving early. He referred to business sponsorship. Is he aware that his party's so-called manifesto for the arts in 1984 referred to business sponsorship as being of marginal importance? Will he repudiate that absured statement in veiw of the growing and tremendous importance of business sponsorship, which has increased 40-fold to £20 million a year in the past 10 years?

Mr. Freud: I am sorry that I gave way. It wastes time. Of course, business sponsorship is of marginal importance, and of course every item of marginal importance adds up to being quite important in the long run. Let us not overestimate. I am sure that not even the Minister would.

I want specifically to raise one point in respect of a constituent of mine who has a theatre. I shall concentrate for a moment on that venture, which is a summer theatre. It runs for eight weeks. The company takes over the church hall with the good will of the local community, and translates that church hall to a theatre between Friday evening, when the school has its prizegiving to the Saturday first night. The company puts in raised seating, curtains, flowers, a bar, a restaurant and so on.

The local authority—Waveney council—gives £4,000 towards the theatrical production. All local shopkeepers take advertising space. Lloyds Bank gives a small amount of money. The Happy Eater up the road takes the back page of the programme, and pays more than its due. The theatre is encouraged by the whole community. In a season, there are 30 actors, a producer, a manager, a director, a cloakroom lady, a designer, a stage manager, a props manager and a costume lady. Each gets £110 a week, which is the minimum and also the maximum. Many of the actors are playing at night, rehearsing in the daytime and, late at night, reading the part that they will start rehearsing in two weeks' time. At the end of the 1985 season, with a 94·6 per cent. attendance in a 226-seat theatre, the company lost £158, but the VAT man received £3,428.

I have gone on a bit on that subject because the constituent involved is my wife, and I know about the financial sacrifices. It seems to me that if the Government genuinely want to help the theatre, an awful lot of giving that is being done now could be achieved much more successfully if so much were not taken away through VAT which in other, and more enlightened countries is either at a much lower rate or non-existent for the living arts.

I am grateful for having been called before the hon. Member for Paisley, South. I wish the debate all the power and success that it deserves.

10.10 am

Mr. Norman Buchan (Paisley, South): I, too, thank you, Mr. Deputy Speaker, for co-operating in allowing a slight role-reversal.

I tend to come to these debates with two thoughts. First, I have such a mass of material that I do not know how to arrange it. Secondly, as I arrive at the Dispatch Box, I think that I have nothing to say. Then I hear the Minister and, by jove, there is plenty to say.

The uxorious Member for Cambridgeshire, North-East (Mr. Freud) was right to complain about the Government's habit of choosing occasions for debates on the arts when it is difficult to obtain publicity. The last time that we had a major debate on the arts, they chose the day of the European elections. Today, despite the major arguments raging about the arts, the debate is on a motion for the Adjournment of the House and on a Friday. That is disgraceful. It is not good enough for the Minister to make his lying-in-state speeches about the state of the arts when the Government are not prepared to meet the challenge by allowing the House to debate and vote on the matter in prime time on a proper day when the House could express its feelings about the arts.

Mr. Jessel: Why not use a Supply day?

Mr. Buchan: After the boasting that we heard from the Minister this morning, the Government should be proud to put their record before the House without waiting for a Supply day.

The picture that the Minister paints of the arts bears no relation to the picture seen by everyone involved in the arts. A week ago, he and I met two of the leading administrators in Britain, one theatrical and the other involved with museums. They spent most of the time discussing the problems of having to scrabble, for funds from various sources. Of course, there is a case for a multiplicity of funds. However, a few months ago, I spoke to a group of arts administrators in Birmingham who represented 70 organisations. Each of them said that instead of spending time developing an arts policy in development and in planning, he was having to spend time searching for funding. That is the picture of the arts today.

The Minister reminds me of the story from Stendhal which my right hon. Friend the Member for Blaenau

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Gwent (Mr. Foot) once mentioned. The husband entered a room and found his wife in flagrante delicto. As he upbraided her, she said, "How do you dare to put the evidence of your eyes before taking my word for it?" The Minister uses statistics to suggest that the arts are healthy, but those involved know they are not. One reason is that this philistine Government — philistine because as monetarists they believe that cash is the only solution — are not even good monetarists. They see the deployment of money only as expenditure and, therefore, in the Prime Minister's terms, wasteful, instead of as an investment. They forget that such expenditure can be an investment.

Although the Minister is a decent and nice guy, he does not give the impression of understanding the pressure and urgency of the matter. His language is the language of generosity — of the Government having given this and that — and he gave a list of patrons and donors. I am prepared to honour the Gettys and the Sainsburys of this world for what they have done for the arts. It is perhaps an honour to them, but it shames the Government that those patrons have had to protect and defend our national institutions, such as the National Gallery, against the Government's depradations. The Government should not boast about the fact that Getty has saved the National Gallery, which the nation should be protecting and developing. The Government claim that the concept of patronage and sponsorship of the arts, which is too often a mark of shame to them, is somehow an honour for them.

The Government's failure to understand the importance of the arts either in human, spiritual terms or in economic terms has been a catastrophe. The Minister said that he would consider the British application for the city of culture of 1990, but he has already warned local authorities that no Government resources will be available. Can one imagine Greece, France or Germany inviting applications for a city of culture but then saying that no Government support would be available? The Government are mean-minded and petty, and it is time that they altered their attitude to the arts.

The Government take some pleasure in poking fun at the Liberal party and the SDP for not having a cultural policy. The Minister has forgotten the essay written by the good doctor, the right hon. Member for Plymouth, Devonport (Dr. Owen), for the National Campaign for the Arts paper. The good doctor said that the arts were important because they helped to create a climate of awareness in which ideas can be more readily received. He quoted two examples — "Cathy Come Home" and "The Boys from the Blackstuff". I was interested in all that, because I wrote exactly the same thing a year before the good doctor did. I am pleased that the SDP is picking up intelligent policy from somewhere, even if it is only from us.

The Minister also mentioned the problems of libraries. The moneys forthcoming from his Department are not for libraries in general. The bulk of the money is for the necessary expansion of the British library. They boast that they will pay for an expansion that is being forced upon the library. The truth is that the funding of public libraries has collapsed by 15 per cent. during the past five or six years because of the squeeze on local authority funding.

The Minister's main point was abolition. Again, he treated it as a success story for the Government, because other people have pulled together to save something from the wreckage that the Government's philistine and reckless decision imposed upon local authorities and the arts. The decision to abolish the GLC and the metropolitan county councils was done out of political pique and dislike of Mr. Ken Livingstone. For no intelligent reason, the arts were wrecked and everyone had to pull together to salvage them. The Minister said that the Government have more than recompensed the arts. Does he remember that the grant was already £10 million short — at that level of Arts Council spending, it meant about 10 per cent. short — of what the Arts Council and the local authorities, with Government backing, estimated was necessary? And that was on top of another £9 million already short — £19 million in all. Instead of the £35 million that was estimated to be necessary, the Government gave £25 million and boasted that they had solved the problem. The truth is that the intelligent work of the Arts Council, the intelligent organisation, discussion and hard negotiation by the regional arts associations, and the generosity of local authorities — even though they faced cuts in Government funding — saved the Government's bacon. Yet the Government now boast that they have solved the problems that they created, and more than recompensed the arts. Next year, there will be another cut in funding. The Government will create a taper in the former metropolitan county and GLC areas.

The Arts Council, not a body given to making alarmist statements, said:

> "The Council is alarmed at the prospect of a reduction in 1987-88 in its funds for organisations affected by abolition . . . The Government has suggested that the Council's funds for this purpose will be reduced from £25 million to £21 million in 1987-88. This would considerably impair its ability and that of the RAAS to maintain current activities, particularly if spending by local authorities is also to be further restricted."

The Arts Council estimates that its base line grant next year, according to Government indications, will be 2·5 per cent. in cr[illegible], but costs in the arts are under more severe pressure than the retail price index.

They say the council's grant is "likely to be cut again in real terms." The Government have boasted of expanding art funding, but the reality which confronts everybody involved is that there are cuts. There are cuts despite the 4 or 5 per cent. increase because so much of that is earmarked, because of Government intervention in relation to Priestley and because they are using a wrong deflator to claim increases.

The hon. Member for Welwyn Hatfield (Mr. Murphy), no doubt in association with the Minister — that is fair enough as it is part of the procedures of the House — has asked a series of questions to elicit by how much the Government have increased arts funding. The answer always comes that, since 1979-80, funding has increased by 7 per cent. or 9 per cent. in real terms. No one else understands where those figures come from. The briefing paper from the National Campaign for the Arts says that it does not understand and that

> "the Minister provided no evidence for his claim"

that they had risen by 7 per cent. in real terms,

> "nor did he explain how he reached the figure."

I can give two explanations, one of which I have analysed at great length in the House before. It is the famous incident of the delayed payments in 1979-80 and 1980-81. There happened to be a computer strike. Several millions of pounds were earmarked but not paid until the Government took office.

My second explanation is that the Government use the gross domestic product indicator or deflator instead of the RPI. In regard to almost every form of spending except the billions that go on defence, for example, we go by the RPI, according to which there has been a drop of 1·5 per cent. in funding since the Government took office. If we include something else that the Government wiped out and have forgotten about—the Housing the arts budget—far from there being a real terms increase of 7 per cent, there has been nearly a 5 per cent. collapse in real terms. We should remember that the Arts Council is working permanently on the margin.

Mr. Jessel: Will the hon. Gentleman give way?

Mr. Buchan: That is a brief answer to some of the nonsense that has been put forward by the Minister, but I am quite prepared to answer any further nonsense that might come from the Conservative Back Benches.

Mr. Jessel: This will not be nonsense. It will be a very sensible question. I have listened with interest to the hon. Gentleman, who has gone on almost entirely about financing. Why does he not devote a little more of his considerable intelligence to asking whether the money that is being provided is helping to produce satisfactory artistic performances which give pleasure to those who see or hear them?

Mr. Buchan: I was dealing with some of the material that the Minister presented, but of course performance is the end point of our discussions. I should much prefer to deal with real things that matter—the end product—than the funds with which they are produced. If the hon. Gentleman does not believe that the squeeze on theatre and on music does not have its consequences in terms of artistic production, he is far adrift.

My brother writes plays, especially for the amateur theatre. He now writes them for "three male and two female" or "four male and one female" parts. That is the extent of the squeeze. I went to see the recent production of "Antony and Cleopatra" with Redgrave herself, but it was not a production which would have stood in terms of scale with the Beerbohm Trees of the past. All theatres are cutting, except the massive tourist-orientated blockbusters, such as "Chess".

The Government's response is private patronage and sponsorship. The most frightening thing that the Government have said—the Minister has repeated it often—is that any future expansion or development must come from the private sector. Will the Minister confirm that he means that there will be a standstill in the real level of public spending? That is the implication of what he has said. If that happens, we shall be in immense difficulties. The hon. Member for Twickenham (Mr. Jessel)—mentioned one—the effect on the arts.

The Opposition accept the case for multiple sources of funding — from local authorities, Government, box offices and aspects of sponsorship. Hon. Members know that I oppose certain forms of sponsorship such as that of tobacco companies but, by and large, I am not against multiple funding. On the contrary, I believe that, although multiplicity is not a substitute for more formal methods of maintaining the freedom of the artist, it can help to retain a sense and, to a considerable extent, an actuality of such freedom. That is now being reduced by the Government's squeeze on public spending, their cuts in local authority spending and their cutting of the real value of central funding. That is making a mockery of any freedom.

When the Minister speaks of my policy as beginning to reject the arm's length of Government, he forgets that a squeeze on funding and a push towards sponsorship can have the same effect. No theatre that relies on sponsorship can afford to put on a play that offends its sponsor. We are witnessing an enforced scampering after sponsorship in a bid for survival, a quest for alternative sources of funding and the need to avoid risk and innovation to secure a box office response. That is turning arts administrators into fund raisers rather than planners, innovators and developers and it has begun to distort the content of the work that is produced. The new, the innovative and the challenging will be at risk.

There was a conference on sponsorship of the visual arts at the Tate Gallery last year at which one of the sponsors explained his multinational firm's attitude to sponsorship. His comments were revealing and bland. He said:

"We prefer to sponsor exhibitions with which we feel comfortable."

He meant the glamorous and the safe rather than the innovative, the risky and the adventurous. There is already a distortion, if not censorship, therefore. We therefore oppose the concept advanced by the Minister and the Government that sponsorship is an alternative to proper Government funding of future developments.

The problems that face the arts are easily categorised. They are underfunded. There is far too narrow a concept of what are the arts. There is a narrowness of concept about what is high culture and what is popular. There is a lack of esteem for the arts, as is exemplified by the Government's behaviour today. It is inevitably establishment-London dominated — not London-dominated. When the Arts Council produced "The Glory of the Garden", it should have realised that we are not dealing just with geographical differences and separation from the South Bank. Brixton and Hackney are just as far away from the South Bank as Warrington and Manchester. The structure of the arts organisation is elitist. There is nothing elitist about "Fidelio"—it is a marvelous revolutionary opera—but there is a great deal that is elitist in the ambience of Covent garden and in the administration of the arts.

How do we cope with that? First, the arts are underfunded. There is only one answer—there must be substantially more funding. If one looks at the state of the disrepair of our national museums and galleries, such as the National Gallery, the British museum and the Victoria and Albert museum, and if one considers that some are being forced to make admission charges to provide funding, it is clear that between £35 million and £45 million needs to be spent over the next three years to bring them into a decent state of repair. When one considers the cuts in central funding and the Arts Council over the years, it is clear that we need to double central funding, although the Minister pokes fun at that phrase. Certainly £140 million would be needed to bring some of our regional and national theatres and music organisations back into full proper use. I do not deny the need for a major injection of funds for that.

A major element of that injection will come from the restoration of local government funding. We intend to impose a statutory obligation on local authorities to

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provide for the arts, entertainment and museums, rather than through a mandatory rate, as sometimes the Labour party has suggested. An element for the arts and for museums should be added to the rate support grant for libraries as encouragement and support for local authorities. As a consequence of that, we shall ask each local authority to undertake a process of consultation with all interested bodies, including arts organisations, trade unions and community organisations, and with local neighbouring authorities, and to publish a plan for the development of the arts in their areas.

We have been dealing with the arts in too narrow a way. The answer to that is to bring all the arts under a single Ministry. We can no longer keep the main cultural fare of our people, broadcasting and films, separate from a Ministry of the arts. That is nonsense. Ministers for the arts or for culture in western Europe do not understand why broadcasting, films and popular arts are not brought under one Ministry in the United Kingdom. We must bring them under a unified Ministry.

Moreover, films, television, independent production, video, young people doing their own thing in studios, and popular music are a single entity, which we have come to refer to as the culture industries. We must broaden the concept of the arts. We can no longer separate some art for them and some for us. We must therefore include the popular arts.

We must recognise that the best way to restore esteem for the arts is to have a Minister in charge of arts and communications, including publications and the printed word, in the Cabinet as of right. The question of access and participation is not solved by central planning alone. I cannot understand why my policy that the major disbursement of funds should go to the regions has been attacked as centralist. That makes no sense to me. It is the opposite of centralising because it gives power to the regions, which know better than 105 Piccadilly, with the greatest of respect to it.

The Minister says that I am smashing the arm's length principle in relation to our national institutions by saying that they should be funded directly from the Ministry. First, the principle has already been dramatically weakened by the Priestley intervention, which I am not criticising, involving direct Government funding. Secondly, no Arts Council has the freedom to decide not to give funding to one or other of our national institutions. Imagine the Arts Council saying, "We have decided to abolish the National Theatre, so we are giving it no money." That is nonsense. Thirdly, the best freedom we can give to our national institutions, as to our theatres, is sufficient funding to give them the courage to put on the productions they choose, instead of forcing them to scramble for funds and sponsors.

I am not alone in my view, but backed by the all-party Education, Science and Arts Committee. I discovered only in the past 48 hours that it had come to the same conclusion as me. Recommendation 17 of the Committee's report on "Public and Private Funding of the Arts" states:

> "In conjunction with the Minister, the Arts Council should make special arrangements to administer a separate grant for the national companies as earmarked by the Minister,."

From my experience in other Departments, the correct way to deal with the arts is for major funding to go to strengthen regional arts development bodies, in place of the regional arts associations, for national institutions to be funded by the Minister, and for it to be a statutory right of the new Arts Council to discuss and negotiate with the Minister about that. That worked perfectly satisfactorily with other Departments such as Agriculture, in the old days, and is the best democratic process for the arts.

The Arts Council should not be appointed by the Minister, because that means that it plays footsy with him and becomes his instrument. It should be elected directly from the regions and the arts if it is to be a powerful, independent voice, speaking for the arts to the Minister. If that is called smashing the arm's length principle and centralising, I do not know what is not.

The present genuine crisis in the arts is a parallel to the crisis facing Britain as a whole. It is a deep basic crisis, not only of politics and economics, but of philosophy, ideas and values. We have adopted values unparalleled since the late 1930s. The whole settled good of the past half century of a commitment to social concern and community values has been replaced by a cash-based ideology, both sharper and cruder than pre-Victorian times. We cannot answer that assault on our values merely by campaigning on policy or examining section 22 of a Social Security Act. At present there is a clash of values.

We in the Labour party want to develop policy-making as an expression of the new and better society which we wish to achieve. However, if we are fully to involve the imagination and commitment of our people as a whole in the creation of a better society, we must also engage in the battle of ideas. Without that, no Government will be backed by a radical drive from the people for the sort of change that we need, and the elan that is necessary to keep us on course.

For that reason, we as Socialists have always cherished the artist. It is not because we demand of them the enforced commitment to a particular set of values, but because we recognise that artists provoke questioning, remove our blinkers, awaken compassion and fray at the nerve edge of our consciousness and awareness. Therefore, artists frequently set the agenda for which we as Socialists can provide the ultimate answers. That is why we have a common purpose with artists. Artists speak the truth as they see it and we seek to provide answers to the problems that their questioning has posed. Artists let us see more clearly the real nature of the present crisis because, above all, they deal with it as it touches the individual. Therefore, they emphasise the need for change even more clearly and sharply than the propagandists.

Mr. Bowden (Dulwich) *rose*——

Mr. Buchan: As we are the party for change, we are on the side of artists. We recognise with Shelley that the poet is the unacknowledged legislator of the world. We not only support the arts for the individual artist and creator, but for a further reason to do with the engagement of values.

We live in a grossly unequal world which is also unequal within the arts.

Mr. Bowden *rose*——

Mr. Buchan: We need to restore to our people the rich heritage of culture which has been taken from them, whether in our congested inner cities, our inadequate suburban schemes, or in our remote rural areas. New technologies will either open up possibilities of a life of

enormous richness or one of defeated squalor. We must take control of our future in which the arts will play an increasingly significant role.

10.39 am

Mr. Toby Jessel (Twickenham): If Opposition Members do not like the use of a Friday for a debate on the arts, it is open to them to use one of their Opposition days for such a debate. However, I cannot help noticing that they have not done so.

We have not done too badly over the amount of time devoted to debating and discussing the arts. Only three months ago we had a full-scale debate on business sponsorship of the arts; and I believe that questions on the arts come up about every three weeks. I believe that what the Opposition really dislike is not Friday debates on the arts, but the Conservative Government's success story in relation to the arts, and the tremendously impressive list of achievements that my right hon. Friend the Minister set out. I shall return to that later. I wish first to discuss the levy on tapes. The Government have proposed a 20p levy on blank tapes. That is absolutely right. Musicians work hard to earn their living. They are not as well off as they should be. They derive their livelihoods partly from recordings on which they receive royalties. Recordings may be put on discs or tapes. Anyone can buy a blank tape quite cheaply, borrow a record and then tape it, thus saving himself the expense of buying the recording. In that case, the musician or musicians who performed the music will not receive any royalties. That is unjust. We can begin to put things right—as the Government propose to do—by imposing a levy on tapes, and the proceeds could go towards the royalties received by professional musicians. These days, 20p is quite a small amount. It is not much more than the price of a cup of tea or coffee in a third-class cafe. It is not exactly a back-breaking sum.

Nevertheless, the manufacturers of blank tapes have mounted a massive advertising campaign against that wise, sensible and fair Government proposal. A series of full-page advertisements have recently appeared in national newspapers. Perhaps you could remind me, Mr. Deputy-Speaker, whether it is in order to quote from those newspapers?

Mr. Deputy Speaker (Sir Paul Dean): It is.

Mr. Jessel: Thank you. That full-page advertisement in *The Times* says that it is issued by the "Tape Manufacturers Group." I understand that those manufacturers are all to be found abroad, and that 60 per cent. of them are Japanese. The advertisement says that it is issued by that group.

"in the interest of the tape buying public."

It continues:

"Oppose the tape levy. It is a gift to the greedy . . . if you have to cough up more money because of lobbying by greedy record companies, there must be plenty of other fat cats waiting in the wings for their extra dollop of cream. A Tape Levy is wrong on moral and legal grounds. If it is imposed during the next session of Parliament it sets a ghastly precedent for the righting of any number of imagined wrongs."

That is sheer nonsense.

It is laughable to say that a tape levy is wrong on moral grounds. As for saying that it is wrong on legal grounds, if the House, following the proper procedures, authorises a levy on tapes, it is legal. The advertising agency or public relations company who wrote that advertisement did so in ignorance of that fact. The tape manufacturers have been unwise in their choice of advertising or public relations company.

I hope that the Government will not give in, and have no truck with this advertising campaign by the tape manufacturers. I also hope that my right hon. Friend the Minister for the Arts will convey our feelings to my right hon. Friend the Secretary of State for Trade and Industry, who is responsible for such issues. The Government should stick to their guns, hold firm, and proceed with the levy in the interest of live musicians. They should give further proof—if any is needed—that the Conservative party, and this Conservative Government care about the arts and want fair rewards for professional artists. If the Government hold firm, they will earn the lasting appreciation of the musical world.

The hon. Member for Paisley, South (Mr. Buchan), who is sitting in the Gangway next to the former Leader of the Opposition, but who is now returning to his seat on the Opposition Front Bench, was full of doom and gloom. Characteristically he exaggerated, using words such as catastrophic, depredations, philistine, reckless, squeezing and so on. But none of that could disguise the fact that in the United Kingdom the arts are flourishing as never before. My right hon. Friend the Minister gave a tremendously impressive list of achievements. I shall not repeat it, as it will appear in the *Official Report*. But the hon. Member for Paisley, South clearly did not listen to my right hon. Friend. The hon. Gentleman went on to talk about abolition in a tone of gloom and doom. I recall that two years ago he mentioned a crisis in the arts. Most of that talk focused on Greater London and then, to a lesser extent, on the six metropolitan counties. None of his prophesies came true.

Mr. Buchan: The hon. Gentleman must remember that the worst did not happen because I sounded the alarm bells and helped to mobilise resistance. We won. The credit that the hon. Gentleman takes should be given to the Arts Council, the regional arts associations and the local authorities. The Ministry deserves no credit, as it underfunded by £19 million.

Mr. Jessel: It is the Government who should take the credit, because they took the decision and had to find the money to make up the difference when many competing claims were put forward in every conceivable area of the Government. Many hon. Members in all parties asked for that to be done, and the Government were right to take that decision. Of course, there had to be a period of uncertainty, because there had to be consultation. If people are to be consulted and representations are to be made, there must be a period of uncertainty before the decisions are finally taken.

During that period the hon. Gentleman asked for things to be done even though they were probably going to be done anyway. The point is that those decisions were taken.

The arts are now buoyant. That is a tremendous national asset. It is enormously important, because if the arts flourish, they can enrich and enlarge people's lives. They also give great enjoyment.

Even if one looks only at the economic aspect of the success of the arts in the United Kingdom, it is of tremendous value to the country. The live and visual arts, taken together with our national heritage of buildings and

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the monarchy, with which our heritage is linked, comprise our main tourist attraction, drawing overseas visitors to the United Kingdom. Foreigners come here not for our weather but to see our old towns and cities, our historic houses, churches and cathedrals, our art galleries and museums, and the royal family and everything to do with it. They come to see our theatres, concerts, opera and ballet.

As one would expect of a great capital, London is one of the arts centres of the world. Nowhere else, with the possible exception of New York, is there such a full and splendid mix of the live and visual arts, and the heritage.

Our theatre is second to none both in quality and quantity, ranging from the National Theatre and the Royal Shakespeare Company to theatre of all sorts. Britain is superb musically, with orchestral concerts, chamber music, instrumental and solo work. We have four great orchestras based in London. A first-class season of promenade concerts will shortly commence. We have excellent opera, ballet and dance at Covent garden, the Coliseum and Sadler's Wells. On the South Bank, the Royal Festival hall, the Queen Elizabeth hall and the Purcell room are going well. The South Bank board is doing an excellent job in its future planning.

Opposition Members' gloomy forecasts of what would happen after the abolition of the GLC have been confounded. The South Bank board is managing perfectly well without the GLC. The Barbican complex in the City is a bold, imaginative venture which owes much to the vision, courage and generosity of the Corporation of the City of London.

I know that the House will forgive me if I make special reference to an institution in my constituency, the Royal Military School of Music at Kneller hall in Twickenham. It trains the finest army bands in the world. These are one of the prides of this country. They will be seen marching on the way to the Royal wedding in four weeks' time. For the past three years I have been fighting to prevent Kneller hall, being moved from Twickenham to some unsuitable site on the coast, there to be merged with the training of the bands of the Royal Marines and the Royal Air Force. If that happens it will reduce musical standards.

I am, therefore, grateful to no fewer than 164 of my right hon. and hon. Friends for signing early-day motion No. 397. I am also grateful to my right hon. Friends the Prime Minister and the Secretary of State for Defence for each having found the time to see me on this matter. As a result, a full-scale review of the decision is being made and the costs are being re-examined. I believe that the original decision two years ago, taken by my right hon. Friend the Member for Henley (Mr. Heseltine) to move the Royal Military School of Music from Twickenham, was a mistake. The result of the review is expected during the summer. I trust that the Government will take into account not only the great sense of feeling in this House, as shown by 164 of my colleagues, but the strength of feeling in another place where there was a debate on a starred question in February; and the views of 18,679 people who signed petitions to keep the Royal Military School of Music permanently at Kneller hall.

I turn to another type of music school—the great academies and colleges such as the Royal College of Music, the Royal Academy of Music and the Guildhall School of Music, all in London, and the Royal Northern School of Music in Manchester. By and large, they produce performers and teachers of very high standards. Two weeks ago I was fortunate to visit the Guildhall School of Music, together with my hon. Friends the Members for Dulwich (Mr. Bowden) and for Dudley, West (Dr. Blackburn). We toured the school and saw work of a very high standard. A violin master class was being taken by the celebrated violinist Yfrah Neaman; an examination was taking place that included a performance of Mendelssohn by a piano trio, which was technically highly difficult and which was played to a remarkable standard; and there was a rehearsal of an opera by Chabrier. All those works were being performed to a high level that made them a delight to hear.

There has recently been talk of the Royal Academy of Music being singled out to become what has been described as a centre of excellence. I should wish to hear both sides of the argument before seeing my right hon. Friend the Secretary of State for Education and Science. So far, I have heard only one side and therefore prefer to suspend judgment. However, I know that the matter is worrying the musical world. The key question is whether sufficient improvement would be generated to justify possibly cutting the ground from under the feet of other institutions with excellent standards. Therefore, I hope that the Government will exercise caution.

In London there are excellent visual arts, with some magnificent museums. I salute the courage of the Victoria and Albert museum staff, led by its director Sir Roy Strong, on two widely different matters — first, for seeking to recreate the spirit of that great Victorian building by refurbishing it, with Government support, and secondly, on their courage in seeking to attract voluntary donations from the visiting public.

Hampton court in my constituency is a Royal palace but also serves as another great museum. It suffered from a terrible fire some 11 weeks ago, and great damage was caused. I am glad that the Government, through the Secretary of State for the Environment, have decided to provide funds so that the damage can be repaired. Ninety per cent. of the palace is now open to visitors. The number of visitors has fallen off since the fire, and perhaps the fact that it is now open again is not widely enough known. I hope that there will be a resumption of large numbers of school parties and other visitors in the near future. I am worried that the part that was damaged may take as long as four years to repair and restore. I hope that the Secretary of State will think again on this matter to find a way to effect repairs more quickly.

My right hon. Friend the Minister said that our museums must not sit on their treasures. I agree. The whole point of a work of art is for it to be perceived. It is much more important for works of art to be seen and enjoyed than to be hoarded for some academic motive to do with the integrity of the collection. The academics in museums tend to put too much weight on the second purpose, when they should put nearly all the weight on works of art being seen. There really is little point in them being stored in cellars and hardly ever seen.

I hope that my right hon. Friend will vigorously encourage those museums with more works of art than they are able to show, to lend them to other museums around the country so that they can be seen by more people. It would provide opportunities for people to see

works of art in the provinces. That is being done to some extent already, but not to the sort of extent that I would wish.

Sponsorship has been mentioned by both the Labour and Liberal spokesmen. The Labour party appears to be against it, and the Liberals to denigrate it. I believe sponsorship to be tremendously important. My hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) produced a paper on the subject to the Council of Europe, and we debated the matter in February. It is surely of great value that sponsorship of the arts by businesses has multiplied 40-fold from £500,000 to £20 million during the past 10 years, with three-quarters of the increase being during the past seven years under a Conservative Government.

It is good and right that our great business corporations should act as patrons of the arts and thereby extend the opportunity to the general public to enjoy concerts, exhibitions and operas. That should be enthusiastically encourged by both sides of the House, not only by Conservative Members. The lukewarm attitude of Opposition Members to this important new dimension of support for the arts is pathetic—they should reconsider their attitude, and do so quickly.

10.59 am

Mr. Michael Foot (Blaenau, Gwent): Eager though I am to compress my remarks, I do not believe that I shall be able to do so in the 30 seconds or so before the next business. Perhaps I may advertise what is to come later by inviting those Members lucky enough to come into the Chamber now to stay for the rest of the debate. I hope that that is a proper use of this advertising moment. I appeal to all who have come in at this late hour not just to participate in questions but to hear the later debates.

I think that I have used up the time available. I would not wish to interrupt you, Mr. speaker, and I was watching carefully to ensure that I did not incommode you in any way.

It being Eleven o'clock, MR. SPEAKER *interrupted the proceedings, pursuant to Standing Order No. 5 (Friday sittings).*

GCHQ (Disciplinary Action)

11 am

Dr. Oonagh McDonald (Thurrock) *(by private notice)* asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on disciplinary action at GCHQ.

The Minister of State, Department of Foreign and Commonwealth Affairs (Mr. Tim Renton): My right hon. and learned Friend the Foreign Secretary, in his statement to the House on 19 March, reported what he had told representatives of the Council of Civil Service Unions concerning the action that would be taken in respect of the few members of the staff of GCHQ who had accepted the revised conditions of service but had then gone back on their undertakings and had rejoined unions. My right hon. and learned Friend said that those staff had been asked to honour their original commitment by resigning from the unions they had rejoined and that if they failed to do so they would be subject to disciplinary procedures. I understand from the director, GCHQ, that disciplinary action has now been taken against 13 such employees of GCHQ and that letters have been sent to them informing them of the penalties that are to be imposed.

Three other members of the staff at GCHQ who have informed management that they have rejoined a national trade union will also be subject to disciplinary action in the next few weeks.

GCHQ has also warned those concerned that so long as they remain in membership of a national trade union they will be in breach of the conditions of service which apply to them in GCHQ and may be subject to further disciplinary action in accordance with the procedures and penalties prescribed in the Civil Service code. GCHQ therefore proposes to seek suitable alternative posts for them elsewhere in the home Civil Service, in which they can continue in national trade union membership if they wish. In the meantime, for so long as they remain in GCHQ, if they should become eligible for promotion their conduct will have to be taken into account, they will not be considered for an overseas posting, and they will continue to be ineligible for inclusion in the proposed restructuring.

I wish to stress to the House that we are talking here of a very small number of people. More than 99 per cent. of GCHQ staff members have accepted and comply with the revised conditions of service, morale is high, and restructuring is going ahead in consultation with the staff federation.

Dr. McDonald: Is the Minister aware that the methods of informing the civil servants concerned are quite inadequate, that only five of the 13 have received the letters and that the information has been given to them indirectly, through the general secretaries of their trade unions? Is he aware that the penalties are much more severe than the Government pretend and that for the senior civil servants involved the fine imposed will be between £3,000 and £4,500? Is he further aware that they will suffer from continuing pressure to take alternative jobs in the Civil Service and from continuing threats of further disciplinary action, which will make it difficult for them to perform their duties?

Is the Minister aware that the terms of the letters sent to the five civil servants are extremely harsh? He referred

[Dr. McDonald]

to the meeting between the Foreign Secretary and the Civil Service unions on 18 March, but is he aware that the threat of continuing action amounts to reneging on the Foreign Secretary's assurance on that occasion that this would be the only piece of disciplinary action against trade union members? Is he aware that the Opposition believe that disciplinary action of this kind should not be used against civil servants on the sole ground that they are trade union members and that we find it entirely objectionable?

The Minister is aware that the whole question of trade union membership at GCHQ is before the European Court of Human Rights, which will make a judgment on the admissibility of the case later this year. Is it not wrong for the Government to pursue action of this kind while the case is still pending?

Is the Minister aware that, far from morale at GCHQ being high, as he claims, this action will damage morale still further not just at GCHQ but throughout the Civil Service, and that the reaction received by the trade unions this morning has been one of deep anger and resentment by civil servants throughout the country?

Finally, is the Minister aware that, to take action of this kind against trade union membership in the Civil Service when the whole question of human rights is very much to the fore in our consideration of South Africa, is deeply insensitive? In a democracy, trade union membership is a basic human right. By taking this action, the Government show that they have no understanding of that fact.

Mr. Renton: To answer some of the points raised by the hon. Lady, so far as I understand it all the letters to the few people involved were posted at the same time. The details of the penalties are, of course, a matter for the director and management of GCHQ. I should point out that all the employees concerned were given proper notice of the date of the boards convened to consider their behaviour and of their right, in accordance with established procedures, to attend the disciplinary board and to be accompanied, if they wished, by a friend or colleague who could have been a member of a union, but none of those charged chose to attend. It is incorrect to say that the penalties in any way constitute a reneging on what my right hon. and learned Friend the Foreign and Commonwealth Secretary said to the House on 19 March.

The European Commission of Human Rights still has to decide on the admissibility of the case, which could be a very lengthy process. So far as I am aware, there is no general practice in this or any other country for Governments to refrain from taking action pending court decisions.

Finally, I repeat that morale at GCHQ is high. The hon. Lady and her friends would do far better to put their weight behind encouraging the 99 per cent. of GCHQ staff who have accepted the new conditions of service and encouraging the staff federation.

Sir Peter Blaker (Blackpool, South): Am I right in believing that one very simple way for the staff affected to have avoided this situation would have been not to go back on their word?

Mr. Renton: Yes, that is absolutely correct.

Mr. Simon Hughes (Southwark and Bermondsey): Is there any justification in the unions' claim that the Government action now anounced flies directly in the face of the assurances given by the Foreign Secretary just a few months ago? Secondly, does the Minister accept that, whatever the ultimate decision, if there is one, by the European Commission or the European Court, it is extremely tactless for the Government to seek yet again to interfere in GCHQ in this fashion, given that the courts have made it clear that the original Government action was unjustified?

Lastly, does the Minister understand that, even if only a small minority of people are involved, those people have civil rights? Are not the Government yet again flying not only in the face of the courts but in the face of the rights of minorities? Does the Minister accept that minorities, in trade unions or anywhere else, deserve to be protected and not bulldozed by Government? That is what we object to.

Mr. Renton: To take the last point first, I fully accept that all employees at GCHQ are individuals whose position must be very carefully examined, but so must the position of national security in which GCHQ is involved. I submit that the management of GCHQ and the Ministers involved have taken a great deal of time and patience to consider this case, particularly the position of those who originally said that they would leave their union and accepted the A option but then rejoined. A lot of patience has been exercised.

No undertaking was given by my right hon. and learned Friend the Foreign and Commonwealth Secretary that no further disciplinary action would be taken following the present round. As my right hon. and learned Friend told the House on 19 March, the A option rejoiners were asked to honour their commitment — we are talking about them today — by resigning from the unions which they had rejoined. As long as they fail to do that they are in breach of their conditions of service and must remain subject to disciplinary procedure.

Sir John Biggs-Davison (Epping Forest): Is my hon. Friend aware that many of us who are trade unionists believe that trade unionism with no guarantee against industrial action is inappropriate in establishments which are vital to the national security? As for civil rights, to which the hon. Member for Southwark and Bermondsey (Mr. Hughes) referred from the Liberal Benches, what civil rights will there be if this country is unable to defend itself against the enemies of freedom?

Mr. Renton: I very much agree with my hon. Friend. This goes to the heart of why it was considered that national union membership was unacceptable at GCHQ, in the light of the long periods of disruption there. What we have now done at GCHQ brings that communications headquarters into line with other security and intelligence agencies in France, the United States and Italy where there are similar policies of no union membership in intelligence agencies.

Mr. Alan Williams (Swansea, West): Does the Minister realise that his announcement is petty, vindictive, spiteful and, above all, stupid? It is stupid in that it will provoke the very industrial action that the Government say they want to avoid and will destroy the morale of which the Minister boasted this morning.

Is the Minister aware that his statement is vindictive in that, despite the assurances by the Foreign Secretary, it is

clear that, in addition to the fines of up to £4,000, those involved will face a continuing campaign of punishment and persecution under this Government?

Is he aware that the statement is petty and spiteful because the Minister is trying to enforce an agreement which clearly was entered into under duress? In that context, will the Minister confirm that some of the members have tried to return the £1,000 Judas money to the management, and that GCHQ management has returned the cheques and refused to accept the money?

Will the Minister give a categorical assurance that at least he precludes dismissal and loss of job from this continuing programme of persecution?

Mr. Renton: I listened carefully to what the right hon. Gentleman said about the money being returned, and I shall check that with GCHQ management. I totally disagree that my statement is petty, vindictive and spiteful. It is the opposite. GCHQ management has shown much patience in considering how to deal with the few who have rejoined their union. It would be entirely inappropriate for disciplinary procedures not to be taken against those who remain in breach of their conditions of service. It would also let down the more than 99 per cent. who have accepted the conditions of service.

The right hon. Gentleman asked about further penalties. It is impossible to forecast whether or when further disciplinary procedures might be thought appropriate. It would be still less appropriate to say what, if any, penalties might then be imposed.

Mr. Ian Gow (Eastbourne): Is it not clear that in the case of the small number of civil servants who have been disciplined, the proper disciplinary procedures were followed meticulously? Is it not also clear that those who have already been disciplined could have avoided that disciplinary action by abiding by the terms of their contracts and that all future cases of this kind could be avoided if only those who enter into an agreement with their employer abide by that agreement?

Mr. Renton: My hon. Friend is correct on all three matters. The proper procedures were followed exactly. What is more, those to whom the letters have been sent are — I stress this — to be found appropriate jobs in the home Civil Service and they can retain trade union membership. Furthermore, they could still deal with the problem and remain at GCHQ by resigning their trade union membership and accepting the conditions of service, as the vast majority of their fellow workers have already done.

Mr. Tony Banks (Newham, North-West): Is the Minister aware that the people of this country fought for years to establish free trade unionism and that it is the mark of Fascism to try to eliminate the right to belong to a trade union?

Is the story on the front page of today's *Guardian* true? Is it correct that the rejoiners have been told that incremental salary increases due to them will be docked for two years and that in most cases this will mean a loss of between £1,600 and £2,000? If the Minister manages to force out those people who wish to remain in a union and they have to go elsewhere in the home Civil Service, can he give an assurance from the Dispatch Box that they will not be victimised by this most vindictive Government?

Mr. Renton: It is a great pity that the hon. Member for Newham, North-West (Mr. Banks) does not bend some of his passion and eloquence to putting his weight behind the 99 per cent. who have accepted the conditions of service and who are doing their hardest to build up GCHQ into an even more effective national security unit than it is already. The details of the penalties are for the director and management of GCHQ. I understand that in the letters those concerned have been told that they will not be entitled to either one or two increments for up to two years. I repeat that the vast majority have accepted the new terms of service, as can the handful about whom we are talking by resigning from their union membership now.

Mr. Michael Marshall (Arundel): Does my hon. Friend accept that the problem highlighted today is merely an extension of the problem that arose when disruptive action put our national security at risk? Does he agree that, with the revised arrangements, people must now feel that they no longer have divided loyalty to external organisations?

Mr. Renton: My hon. Friend is right. Morale is high, not least because of the restructuring which has simplified the employment structure at GCHQ, which is much welcomed because it recognises the unique contribution to national security made by the staff at GCHQ.

Mr. Harry Greenway (Ealing, North): On what day was the last warning given to the individuals concerned and what contact has taken place since then? What will be the last day at work at Cheltenham for those involved?

Mr. Renton: I cannot give my hon. Friend the precise details, but I can assure him that the precise procedure for such cases laid down by the Civil Service code was followed exactly. None of those involved bothered to attend the meetings to which I referred earlier.

Sheepmeat (Caesium Levels)

11.18 am

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): With permission, Mr. Speaker, I should like to make a statement on the control on the movement or slaughter of hill sheep and other sheep.

My Ministry and the other agricultural Departments have been carrying out an extensive programme of monitoring of all foodstuffs likely to be affected as a result of the Chernobyl accident. The latest batch of results is being published today. These present a satisfactory picture overall and there is no reason for anyone to be concerned about the safety of food in the shops.

However, the monitoring of young unfinished lambs, not yet ready for market, in certain areas of Cumbria and north Wales indicates higher levels of radio-caesium than in the rest of the country. These are the areas of high rainfall during the weekend of 2 and 3 May. While these levels will diminish before the animals are marketed, my right hon. Friend the Secretary of State for Wales and I have decided to use the powers in the Food and Environment Protection Act 1985 to make absolutely certain that when these lambs are marketed they will be below the internationally recommended action levels for radio-caesium of 1,000 bq/kg.

We have therefore made an order which we are laying before Parliament to come into effect today which will prohibit for the next 21 days the movement and slaughter of sheep within the two areas designated in south west Cumbria and parts of north Wales. This will enable us to monitor closely the sheep flock in these areas.

The areas subject to restriction will be reduced as soon as monitoring results, based on a rigorous sampling programme, confirm the expected fall in levels. Testing is also being undertaken in Scotland and Northern Ireland, where similar restrictions will be imposed if necessary.

The main season for marketing young lamb from the designated areas will not start until July. The Government recognise that these measures may cause some interference with the marketing plans of farmers in the areas concerned, but I am sure that they will appreciate that the measures taken for the protection of the consumer are in the general interest of the British sheep industry. If however it should prove to be necessary, the Government will be prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers.

Mr. Brynmor John (Pontypridd): I thank the Minister for making this statement. May I say to the Leader of the House that once again it appears not to have been possible to give reasonable notice to those affected of the intention to make an agriculture statement?

We recognise that the primary interest and responsibility lies in the safety and health of the consumer. We must recognise also that the areas concerned are heavily dependent on sheep. The economy and livelihood of a number of individuals, and perhaps even an entire sector of agriculture, are likely to be affected. The fact that the right hon. Gentleman has chosen, in my view entirely correctly, to make a public statement is bound to evoke some public alarm, especially in view of the complacency which has been exuded by MAFF up to the present about the affects on the food chain of the Chernobyl accident. For example, we were getting——

Sir John Biggs Davison (Epping Forest): Not complacency.

Mr. John: The hon. Gentleman, who is making sotto voce remarks—perhaps he is making his only speech of the Session—had better listen to some of the facts on agriculture before he starts interjecting.

There were press stories three weeks ago about the level of caesium and hot spots. Nevertheless, it is only now that MAFF has chosen to act. It is better that the House voices its worries than for worries to be felt and remain unanswered and, therefore, to fester.

I shall ask the Minister a number of specific questions to which I hope he will reply. First, are cattle likely to have a higher level of caesium? Can he be categorical that there has been no effect upon milk supplies? We understand that one of the ways, although a minor way, in which young, unfinished lambs contracted the infection is by grazing on grassland.

Secondly, bearing in mind that in the post-Chernobyl weeks there must have been many movements of lambs, sheep and cattle out of the areas concerned, will the Minister say whether caesium has been traced only in young lambs? Is there any danger of caesium having been contracted by sheep? There was no mention of that in a parliamentary answer that was given on 4 June. Has caesium been traced in older lambs and are they being monitored? When does the right hon. Gentleman think that the presence of caesium in older animals will become apparent, if they have contracted it?

The Minister has referred to areas in Cumbria and north Wales and has said that the order will have a duration of 21 days. A period of 28 days is allowed under the Food and Environment Protection Act 1985, and I hope that the right hon. Gentleman will take action that will lead to parliamentary scrutiny of the order in due course.

Are the other western sheep-rearing areas being monitored and is the right hon. Gentleman satisfied that at present the movement of lambs in those areas represents no danger? The right hon. Gentleman has talked about areas in north Wales and south-west Cumbria and I should like to know the overall area and the number of lambs and sheep that are affected. Is it a matter of a number of hot spots or is there general infection across the areas that he has mentioned?

The Minister has mentioned the assistance that is to be given in compensation. If necessary, I hope that action will be taken in international law to enable proper compensation to be given to those who are affected by the presence of radio-caesium in their animals, and that compensation will not be confined to domestic assistance.

What is the position on the charges that are due under the Agriculture Bill 1986? The Minister has stubbornly maintained so far that charging will take place for public health tests under the new Act. We understand that this radioactive infection of sheep and lambs may occur and continue for many years. May I have the right hon. Gentleman's assurance that no charges will be made to the affected farmers or any other worried farmers in the areas concerned for the undertaking of public health checks? Will he reconsider his attempt to make such checks chargeable under the Agriculture Bill?

Finally, it is inconceivable that the effects noted in the United Kingdom should not be present in other EEC member states or countries outside the EEC. If we are to

learn something and come out of this episode somewhat wiser, will the right hon. Gentleman confirm that he is re-examining the restrictions on trade between any two countries to ensure that the ban on potentially affected animals is as tight as it can be? Will he undertake to make information on our experience of radioactivity in lambs as widely available as possible, so that all countries in a similar plight may benefit?

Mr. Jopling: I am grateful to the hon. Member for Pontypridd (Mr. John) for what he has said about his belief that it was correct to make a statement today. I think that he was wrong when he said that the statement might give rise to alarm. There is no reason for that to happen. As I said clearly in my statement, there is no reason for anyone to be concerned about the safety of food in the shops. We have taken the steps which I have outlined as a precaution, to ensure that young lambs coming on the market in future – July, August and September are the months when they are likely to come on the market – can be the subject of a proper check.

The hon. Gentleman asked me about the effect on other animals. The monitoring that the Minister has been carrying out shows low levels of radio-caesium in food generally, including vegetables, dairy produce and meats other than lamb. I can give the hon. Gentleman that assurance. I utterly reject the hon. Gentleman's remarks about complacency on the part of the Ministry.

I believe that we have been in the forefront of all European countries in testing meat, and especially young animals. It is that testing which has come up with these results, which have caused us to take precautionary steps about future supplies. The order will last for 21 days, and I hear what the hon. Gentleman says about the need for parliamentary scrutiny. My right hon. Friend the Leader of the House is present and he, too, has heard the hon. Gentleman's remarks.

We shall continue to monitor other areas as well as those to which I have referred. We are continuing with sampling and work is continuing through the Institute of Terrestrial Ecology, which has undertaken most helpful work in allowing us to identify the areas concerned. Rather than attempting to explain in detail the exact area that the orders will cover, I shall deposit in the Library today maps of the two areas concerned so that Members are able to see for themselves.

The hon. Gentleman referred to ADAS charging. I assure him that, during the running of the order which I am laying today, no new steps will be taken to introduce any new arrangements for ADAS charging.

Mr. Cyril D. Townsend (Bexleyheath): Does my right hon. Friend agree that the cautious but sensible measures he announced this morning will be widely perceived by the public as having achieved the right balance between over-reaction and under-reaction? Will the Government continue to take all measures appropriate to reassure the public?

Mr. Jopling: I am grateful to my hon. Friend for what he has said. We shall continue to monitor the position in terms of the rigorous monitoring programme that I mentioned earlier. I am sure that my hon. Friend is right when he says that we have set the right balance between realism and prudence. We intend to do that. I think that the public will understand that there is no reason for anyone to be concerned about the safety of food in the shops.

Mr. Robert Maclennan (Caithness and Sutherland): I welcome the Minister's decision to make a statement today. I believe that the steps he announced were prudent and wise. They are a means of ensuring that caesium does not come on to the market from young unfinished lambs. There is a general assurance in the Minister's speech that the position overall is satisfactory. However, the Minister said that in Scotland and Northern Ireland specifically there is a possibility of imposing similar restrictions, if necessary. To avoid any doubt, can the Minister say that the satisfactory position covers Scotland and Northern Ireland? I believe that the rainfall was heavier in those areas.

Mr. Jopling: I am astonished that the hon. Gentleman, in the course of a short question, said that I was prudent and wise. It is rather unusual to hear such kind words from him. I am most obliged to him. As I have said, the overall position is satisfactory. Testing is being undertaken in Scotland and Northern Ireland. I know that my right hon. Friends will make similar restrictions if they feel that that is necessary.

Mr. Mark Hughes (City of Durham): Generally, I welcome the measures announced by the Minister. I raise three or four small points. First, is the caesium concentrated in specific organs in the bodies of lambs? Secondly, will kids and goats be included in the restricted orders, since they were born at about the same time as the young unfinished lambs, and, presumably, were faced with the same intake of enriched rain? Thirdly, what is the position regarding compensation to the owners of abattoirs and markets and hauliers whose livelihood will be severely affected? It is not just farmers who will be affected. Fourthly, what is the position over fallen stock? Can the Minister assure the House and the country that fallen stock meat from those bodies does not enter the animal food chain in the form of meat for dogs, cats, and so on? What happens to the meat from animals in the field which die while the order is in operation?

Mr. Jopling: We have found that the radio-caesium is spread evenly throughout the muscular tissue, which is the carcase of the animal. It is not concentrated in parts of the carcase. I shall consider the question regarding kids and goats. I am not aware of any problem regarding goats. The order which we are laying today refers only to sheepmeat. I have heard what the hon. Gentleman has said about compensation for people other than farmers. I can only repeat that, if it should prove to be necessary, the Government will be prepared to discuss cases for compensation for severe loss in particular circumstances to specific farmers.

The hon. Gentleman referred to fallen stock. If the animal has died, as he suggested at the end of his question, that is one thing. Under the regulations there is no question of meat from animals which have died coming into the human food chain. The slaughter of animals will be permitted for welfare reasons. That is already provided for in the order, on condition that the meat does not go for human consumption or feeding stuffs.

Mr. Frank Dobson (Holborn and St. Pancras): Can the Minister guarantee that the irradiation concerned results

[Mr. Frank Dobson]

exclusively from the Chernobyl incident? Is there any connection between the areas concerned and the nearby locations of nuclear installations in this country?

Mr. Jopling: I thought that a Member [illegible] as the hon. Gentleman would not have missed the opportunity to make that point. I make it clear that we are dealing with two caesium isotopes—caesium-134 and 137. The ratio between those two isotopes which are found in lambs are characteristic of the Chernobyl fallout. I am glad to be able to tell the hon. Gentleman that it is not characteristic of anything to do with Sellafield.

Mr. Tony Banks (Newham, North-West): Is the Minister aware that when he turns up during the middle of an arts debate mob-handed and tells us all not to panic, it will be a little difficult not to feel concerned, especially as he made this statement on a Friday when people will be out purchasing meat for the weekend? Perhaps he should have waited until Monday before he made the statement. That would have been more convenient for those hon. Members who wish to discuss the arts. An article which appears in today's *Guardian* states that the Ministry of Agriculture, Fisheries and Food is understood to be postponing publication of the latest radiation readings from monitoring stations all over Britain. If that article is true, why is that so? Perhaps the Minister should give the people of this country some advice over the weekend that if they intend to eat any hill sheep they should add some iodine to the mint sauce.

Mr. Jopling: The reputation which the hon. Gentleman has achieved since he became a Member of Parliament is entirely in keeping with such foolish remarks. If the hon. Gentleman would care to listen—clearly he has not been listening—*[Interruption.]* I know that he would have been one of the first to be critical if we had waited until Monday and had not come forward as soon as we believed it was right to take such steps.

Action is being taken as soon as it became apparent that there was a risk of meat above the action level reaching the market in the near future. We shall be able to prevent that. I am sure that all Members would agree—the hon. Member for Pontypridd said so—that it was right to come forward today. The hon. Gentleman referred to an article in the *Guardian* newspaper. That is why I accused him of not listening. If he had been listening, he would have heard that I said in my statement—that the latest batch of results will be published today.

Mr. John Home Robertson (East Lothian): It is right that the Minister should have made this statement. However, some aspects of the statement pose more questions than they answer. The Minister said that the order would prohibit, for the next 21 days, the movement and slaughter of sheep within the two areas designated. Can we take it that that includes the movement of sheep in and out of the designated areas? That is an important point of detail that he should cover. As a Scottish Member, I am bound to say that the statement will arouse considerable concern and uncertainty among sheep farmers north of the border. Can we expect a statement from the Scottish Office on this subject? We all know that, at the same time as radioactive rain was falling on Cumberland and north Wales, there was heavy rainfalls in Scotland.

What arrangements are the Government making to compensate farmers and other producers for the direct effect of these restrictions and for the disposal of carcases, where necessary? What compensation will there be for the inevitable disruption of the market which is likely to flow from the alarm that will inevitably be felt, whether the Minister likes it or not? I trust that the long-term costs of monitoring agricultural produce will be carried by the Government, not by the farmers, in the severe cases to which the right hon. Gentleman referred and in others.

Is it not emerging that the Government should have given advice to farmers to bring livestock in milk—both sheep and cattle—indoors while the radioactive rain was falling? That action was taken in Denmark, the Netherlands and other European countries. Why on earth has it taken so long for that information to get through in this country? If lambs have excessive levels of caesium, what assurances do we have that calves and, indeed, humans have not picked up larger amounts than they should have?

Will the right hon. Gentleman join me in appealing to the Secretary of State for Scotland to think again before commissioning another nuclear site at Torness in my constituency?

Mr. Jopling: There will not be market restrictions on sheep brought from out of the area for sale in the area. Markets in the affected area which are no longer allowed to market sheep that emanate from within the restricted area will be able to bring in sheep for sale from outside that area.

The hon. Gentleman will have heard me say that testing is proceeding in Scotland and Northern Ireland. The Secretaries of State for Scotland and for Northern Ireland will not hesitate to impose similar restrictions, if they feel that that is necessary in the light of emerging monitoring.

As I said earlier, the Government will be prepared to discuss compensation.

The hon. Gentleman asked about animals being brought indoors during the period when the Chernobyl cloud was moving over the United Kingdom, and I suppose that I should not have expected anything else from an eastern counties arable farmer. I point out that it would have been totally impractical on the mountains and hills of the Lake District and the Snowdonia range to house sheep indoors during that period. Those facilities did not exist.

I realise that the hon. Gentleman threw in the point about Torness at the last minute. I hope that he will refer that question to my right hon. Friend the Secretary of State for the Environment whose responsibility it is.

Mr. John: On a small point, Mr. Speaker.

Mr. Speaker: I think not.

The Arts

Question again proposed, That this House do now adjourn.

11.43 am

Mr. Michael Foot (Blaenau Gwent): As I listened to the earlier debate on the arts, I was encouraged to believe that it would be a good day for this country when my hon. Friend the Member for Paisley, South (Mr. Buchan) takes over the task of the Minister for the Arts. I am sure that he will, with his natural eloquence, bring good policy into practice and, with his great determination, raise this matter to the level it deserves. I do not say that to disparage in any way the present Minister for the Arts. He must face an extremely difficult task in trying to sustain civilised standards in this Government. The right hon. Gentleman does his best.

However, my hon. Friend the Member for Paisley, South and I criticise the level of support that the Government give and their general approach to the arts. I think that I quote the Minister correctly when I say that he claimed that the Government were keeping up support for the arts. That is not satisfactory, especially in view of our present critical social circumstances, which were described by my hon. Friend the Member for Paisley, South. At a time of heavy unemployment, when society is under great stress in other respects, the money, resources and intelligent effort devoted to providing for the arts all over Britain should be greatly increased. That is the test that should be applied to the Government. It is applied by some of those who are trying to grapple with our problems.

For the past 10 or more years, there has been a considerable increase in the communities in Wales who support the arts. Of course, the choirs are one of the most notable signs of culture there. The great revival in those areas is due partly to the determination of the communities —all the resources have come from them to recognise that, when faced with this crisis, there must be a great expansion of the arts. That is one way to deal with the problem. Individuals and communities such as mine in Wales are seeking to do that. We do not get anything like the support from the Government that we should have.

I recall the attitude of the previous Labour Governments to the arts. Yesterday, I read an ignorant article in *The Times* by Mr. Bernard Levin on this subject. Of course, I do not pay for *The Times*—I read a copy when I come here. Until the Wapping dispute is over, I do not propose to pay any money for it, and I am even less likely to do so having read Mr. Bernard Levin's article. He wrote as though the Labour party were opposed to the development of the arts. Everyone knows what Labour Ministers for the arts have done. Jennie Lee, especially, set new standards for Ministers for the arts. She was not called "Minister for the Arts", but she did that job. She did a splendid job and played a leading role in introducing the Open university. That system was set up when there was fierce competition for resources and the Department of Education and Science and the department with responsibility for the arts were faced with the strain of choosing priorities. Jennie Lee was one of those who insisted on the choice being made by Cabinet. She took the case to Cabinet.

I am proud when I see on the walls of the cottages of mineworkers, steelworkers or others of my constituents certificates from the Open university. Those people have been able to profit from the Labour Government's decision to go ahead with the Open university, despite all the attacks by those against it and the attempts to prevent money from being supplied to it. They ensured that it went ahead on the basis of applying the highest academic standards. I think that everyone recognises that, although I point out that the Government still restrict the amount of money available. The Government should increase the resources available instead of restricting the numbers of people who can make use of a full university education, some of whom might not have been able to take advantage of such education earlier.

One of the most disagreeable features, to put it mildly, of these restrictions is that they are often imposed by people who have had a good university education. Apparently, they are prepared to restrict the opportunities offered to other people. There were elements in the Department of Education and Science who wanted to resist the Open university because they said that there were other priorities. The Open university has now become the biggest university in the land. It is catering for wider and different sections of the community than ever before. That was done at a time of financial crisis and it shows what can be achieved under a Government with the will and imagination necessary to carry such matters further.

I am glad to hear the support that the Government are giving to libraries. However, much more ought to be done. Many of the provincial libraries are having the greatest difficulty in sustaining their service to the community because of the general restraints and cuts that the Government have imposed on the rate support grant. Individual libraries, such as the Fawcett library, are in danger of closing. I know that that is not the Minister's immediate responsibility, but he should be using his influence to try to ensure that resources are provided for that library. The same applies to the museum of labour history and other such institutions. There are many areas where, if the Government had the energy and imagination required, great assistance could be given to ensure that many varied institutions, at a time of social crisis, get the support they deserve. I hope that the Government will not be complacent. I hope that it will not be too far ahead when my hon. Friend the Member for Paisley, South (Mr. Buchan) will be able to take his proper place in the next Labour Government and place the service of the arts in the proper perspective that it should hold in a civilised nation. That is what we want to see.

I wish to refer to one specific matter on which I hope that the Government will give us the backing that I believe they could. It is a matter that I have taken up with the Minister before, but I shall emphasise it again now not just in the interests of the body—the Byron society, of which I am a member—but in the interests of the nation as a whole. The duocentenary of Byron's birth will take place in 1988. It will be a big occasion throughout this country. There will be big celebrations at Cambridge university, where Byron went, much against his will. He would have preferred to go to Oxford, he made that quite clear. There will be celebrations at Newstead and throughout the rest of the country.

It is by no means certain that what we do in this country will not be surpassed by what may happen in many other countries. So great was Byron's fame, so wide his influence and so important the place he holds in the literature of our country and in world literature, that there will be similar

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celebrations in Greece, Italy, the United States and many other places. There are now nearly 30 Byron societies throughout the world. Recently a society was formed in China and some other parts of the world and it provides a great service to the country as a whole. I hope that the Government will approach this matter in a properly imaginative spirit.

There has been a transformation in Byron's reputation over the past 50 or 60 years. If anybody doubts what I say, they have only to look back at the controversy in 1924 when the last major Byron centenary was arranged, 100 years after his death. At that time there had been so much defamation of his character that it was almost allowed to denigrate his poety, works and achievements. We did not have a Byron society in those days, but those who had gathered to try to present the matter properly to the nation and the world, found they were facing a defensive battle and that they had to present great arguments to protect Byron from the assaults from so many quarters, even 100 years after his death. That protection succeeded and in the past 60 years his reputation has been transformed.

It would be churlish for us in this country to deny the contribution that has been made by those in other countries, especially the Americans. The American scholarship has made great contributions to try to ensure that Byronic literature should be properly represented to the world. Over the past 10 years we have had a magnificent production of Byron's letters by Professor Leslie Marchand — published, naturally, by John Murray. That has now been matched by an almost equally magnificent production of Byron's poetry by Professor McGann, published by Oxford University. Byron is coming home to his first love of Oxford at last and that is a great development.

We certainly acknowledge the worldwide interests, especially the interest of American scholarship. However, we must take account of what has been achieved and contributed in this country.

Among the people at the meeting in 1924, to which I referred, when a few people got together to say that they were determined to protect Byron's reputation from the assaults that were made upon it, was a young and beautiful woman who for almost the first time came to hear about the name of Byron. She later applied her particular aptitude to writing about Byron. I think that everyone who has studied the matter will agree that she has probably written about Byron with greater Byronic wit and imagination than anyone else. I am glad to say that she is still with us. I went to see Doris Langley Moore the other day. Her biographical works, as I have said, have matched any that have come from across the Atlantic and exceeded them in wit and understanding. I am glad to say that she is still alive and radiant and I trust that she will play a prominent part in the celebrations of 1988, just as I hope that the Government will make special efforts to ensure that the occasion is celebrated in a proper spirit.

The best that the Government could do to celebrate the occasion — it does not exclude all the other things — would be to respond to the appeals which have come afresh from the Greek Government for the restoration of the Parthenon marbles to the people and the land of Greece. I know that there have been plenty of arguments about that. I am not asking the Minister to reply now. In fact, I hope that he will not, because I daresay he will give us the old official reply he has trotted out before, and we do not want that. I know that there has been plenty of argument among people who do know the facts. I am not necessarily including the Minister in that respect.

For example, one of the most respected Presidents of the Byron society, William St. Clair, who has written probably the wittiest and most graceful book on the subject, appears to come down against the proposition of the return of the marbles. That does not make the argument conclusive, by any means. There are a whole range of arguments on the other side, especially those advanced by Byron himself. Anyone who reads what Byron wrote could see that he was discussing not only what should happen and why he protested so strongly against the spoliation of the Parthenon, which caused a sense of outrage among Greeks at the time, or about what was happening to Greek heritage – they have as much right to cherish their heritage as we have to cherish ours — but was expressing his sense of ourtrage when he saw great nations trying to trample on the rights of small ones.

Therefore, the great poetry that Byron wrote on that subject was directed not only to what was to happen to the Parthenon marbles, but to the way in which the world was going, and what was to be the reputation of our country in this age and time. One of the things that we shall celebrate in 1988 is the spirit in which Byron looked forward to the ensuing century and more, and foresaw a different role for our country from the one that we were performing at that time. He looked forward to an age when our country would be speaking in the name of freedom, not in the name of an imperial power. He looked forward to the time when we would be able to show our common heritage with all those other countries. It is partly because Byron expressed that almost more successfully and brilliantly than any other of our poets that he commands that worldwide allegiance.

Therefore, I say to the Government: let them not reply to what I am proposing today. Let them consider it carefully, because when the deed is done, the Government who take the final step of restoring the Parthenon marbles to where they belong will be acclaimed for their magnanimity. It would be a good thing for this Government if they did it. However, I am glad to know that, when my hon. Friend the Member for Paisley, South takes up his position, and when my right hon. Friend the Member for Islwyn (Mr. Kinnock) takes his position as Prime Minister, we shall carry out that act of magnanimity. That at least should be some incentive to the Minister and the Cabinet, which I know he has such difficulty in converting to any wise courses on those great matters.

12.1 pm

Mr. Michael Marshall (Arundel): I hope that the right hon. Member for Blaenau Gwent (Mr. Foot) will forgive me if I do not follow him too far in his Byronic interlude. As usual, the House listened to him with interest. His eloquence is seductive. As usual, I find that I have to check one or two of the omissions in remarks which, otherwise, are agreeable. The right hon. Gentleman was a little mischievous in trying to divide the loyalties of my hon. Friend the Member for Cambridge (Mr. Rhodes James) with regard to his educational background and his constituency interest. However, I know that my hon. Friend will look after himself.

The right hon. Gentleman also referred to the Elgin marbles. I was fascinated by the unholy alliance between himself and Melina Mercouri. Perhaps on another occasion he will tell us more of that. He also touched on the history of the Open university, but he was a little partial in not referring to the role played by my right hon. Friend the Prime Minister in saving it from an early death.

I declare my interest as a parliamentary adviser to the Society of West End Theatre. I should like to talk about the live theatre, particularly the commercial part of theatre. Because I know that other hon. Members wish to speak, I shall not rehearse the arguments and, indeed, the whole ethos that has given us such splendid live theatre. The figures are well known. My right hon. Friend the Minister referred to the scale of theatre going and its role in the tourist industry.

I pay particular tribute to my right hon. Friend the Minister, because the hon. Member for Paisley, South (Mr. Buchan) said, entirely fairly, that there is a problem with the arts because it affects so many Government Departments. However, my right hon. Friend has been playing an especially valuable part in trying to co-ordinate efforts on the arts. I hope that I can encourage him to continue to do so in specific areas. I shall refer to other Departments in a moment.

The Minister's part was evident in the transitional arrangements after the abolition of the Greater London council. Again, my right hon. Friend played a signal role in obtaining tax relief for charities, the result of which we saw in the Budget. My right hon. Friend has said that he regards himself as a sponsoring Minister for theatre. I shall return to that matter.

The problems that face commercial theatre can be summed up simply. They are, that it is essentially a high-risk business. Only one in five productions is a major commercial success. Fortunately, there are those who wish to help the theatre, who are popularly referred to as angels. Although, naturally, they would like to see some return on their investment, often they are prepared to take a risk because of the personal association that their backing gives them with the theatre and because of their willingness to see cultural activity that may work on the margin. However, those people need more support, and the theatre itself requires that such people should be encouraged.

The Department of Trade and Industry has a key role to play in the future of our west end theatre and, indeed, in live theatre as a whole. For example, a problem might come up unexpectedly, such as the frequency for radio microphones. Perhaps it will be known to many hon. Members that no major musical production is put on these days without the use of a radio microphone, the frequency of which has to be related to the whole frequency spectrum, taking into account every other radio broadcast. In the recent allocations of frequencies, we have run into problems. If those problems are not resolved, in a production of grand opera or a major musical, there would be a real danger of the leading singer suddenly being interrupted by a message from Joe's Taxis. That problem is serious. I am glad to say that my hon. Friend the Parliamentary Under-Secretary for Trade and Industry, the hon. Member for Coventry, South-West (Mr. Butcher), and his officials are showing a good deal of commendable urgency in considering the matter. I know that my right hon. Friend the Minister for the Arts is keeping an eye on it, too.

There is one major problem in which the Department of Trade and Industry has a particular role to play, where urgency is needed, and that is on overcharging for tickets. This country, particularly London, has a great reputation of value for money in live theatre. That reputation is suffering due to the activities of an unfortunate minority who have been exploiting the system. The figures, which have been published, are well known.

It affects shows such as "Cats", "Les Misérables", and "Starlight Express" where three times the going rate is the norm according to scalpers' prices. Just the other day, two tickets at £6·50 were sold for £80. Such exploitation is not good for theatre. It is not good enough for our reputation as a tourist centre, and for broadening the habit of theatregoing among the population. It is a manifestation of an Arthur Daley society rather than the best aspects of the Society of West End Theatre that I should like to see. What I find hard is that the society tends to bear the brunt, along with tourist authorities, for complaints.

What can be done to resolve that problem? Several things could be done. I shall not repeat the difficulties that there have been over registering agreements. There was a time, until a few years ago, when registered agreements among theatre owners would have allowed agreements on theatre ticket prices to apply. I can see the argument about opening up competition in other areas, but I am concerned about the side effects and casualties, as in this case.

The most useful way in which the problem could be tackled would be if the Government could bring forward, as a matter of urgency, the Bill on consumer goods and services, on which consultation is now taking place. That legislation is likely to include a proposed code of practice, which will contain an obligation to publish the commission element. If that were done, it would meet the recommendation of the Society of West End Theatre that at all times the full face value and the amount of commission that has been charged should be shown on the ticket.

I hope very much that my right hon. Friend the Minister will feel able to add his voice to the deliberations in the Department of Trade and Industry. I think that he will be aware, as he represents a south coast constituency next to mine, that the tourist industry is a fragile flower, and if the reputation of overcharging becomes part of the disincentive to come to this country, the effects could extend further than live theatre.

I welcome the tax relief for charities announced in the Budget, although it will do little for the theatre because of the nature of charities. I wish to consider ways of assisting the commercial theatre, given the high element of risk that is involved in its work. Hon. Members have mentioned value added tax. The Minister will know that there is a belief that the movement towards standardisation in the EEC may lead to change. I hope that he will add his voice to those which say that if we move in the direction of assistance for the arts, it should be in the form of exemptions rather than zero-rating. We must be consistent. Communications must not be seen as subject to indirect taxation.

As for the tax incentives to the angels — who are sometimes called casual investors, although I prefer the term occasional investors, because it is not a casual process but a high-risk activity — we could return to the pre-1972 position by which tax relief on losses could be offset against other income or capital gains. I recall that there were problems and that people were said to be living on

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farms which became their country houses. It is not beyond the wit of man I have already urged this on my right hon. Friend the Chancellor of the Exchequer to create exemptions which could be related to centres of excellence and to employment. That is certainly the case with the theatre.

More specifically, the Department of Trade ad Industry could consider the implications of legislation affecting limited partnerships. Much of the law governing them is old and relates to the Limited Parterships Act 1907. That limits the number of partners in an enterprise to 20. Section 12 of the Companies Act 1967 contains exemptions to that rule. It is clear to hon. Members that that number is not large enough for theatrical enterprises. One is talking about a band of angels, 100-strong or more. I hope that the Minister can be persuaded to use the powers available in the Act and I hope that he will help in the process of reform.

Only one theatrical production has been financed through the business expansion scheme, so it is a bit early to judge its effectiveness. However, the five-year restriction on tied investment must be seen as a deterrent to theatrical investment. If the scheme is to be reviewed, that matter could be considered.

I have stressed the problems of theatre having to deal with several Departments, and I praise my right hon. Friend the Minister for his role in trying to improve co-ordination. In the recent changes, including the abolition of the GLC, many of us have been worried about the problem of consistency. Even now, it is said that local authorities may wish to take over the activities of the Health and Safety Executive. If that is to be the case, there could be different interpretations of the rules applying to theatres throughout the country. I hope that that might be regarded as no more than a proposal which will be subject to representations, especially for activities which need an overall approach that could be effectively monitored by my right hon. Friend.

If my right hon. Friend has a chance to reply to the debate, will he undertake to examine his Department's ability to make known its views to the Department of Employment before any change is agreed?

Before my right hon. Friend took office, the Society of West End Theatre had been told by the Office of Fair Trading that it could not trace a sponsoring Department for it. At that stage, anyone interested in live theatre was worried about whether they would ever have a proper dialogue with the Government. Of course, a distinction was drawn with the publicly funded sector of the theatre, which had a link with the Arts Council. But that sector has many problems similar to those in the commercial theatre, and it does not rely solely on state funding. It must look to markets for the resolution of many of the problems that I mentioned. But there was a hiatus in the commercial theatre—the area that touches most upon the lives of the majority of our citizens and visitors. My right hon. Friend has stepped into that hiatus. He said that he was in charge of a Department that had a sponsoring role. We are grateful for that, and for his action on transitional problems. I hope that he will not take it amiss—he has broad shoulders—when I say that much remains to be done in other Departments. I count on him to use his influence to carry them forward in the right direction.

12.16 pm

Mr. Jim Callaghan (Heywood and Middleton): The last time that I spoke in a major debate on the arts I mentioned a wide range of subjects. Today, I shall concentrate on a narrow area that is vital to the British people.

In the early 1970s, the experiment of charging entrance fees for art galleries and museums proved to be unpopular and an economic disaster. In 1974, the then Minister for the Arts, Hugh Jenkins, abolished the fees. He was supported in debates on the charges by the right hon. Member for Chelmsford (Mr. St. John-Stevas), who subsequently became Minister with responsibility for the arts. The right hon. Member for Chelmsford believed that legislation should be introduced to prevent the reimposition of admission charges for art galleries and museums. However, today, there are fears that the charges will be reimposed.

It has been denied that the changes in the Government's methods of funding are in preparation for charging admission fees at museums and art galleries. On 11 February this year, *The Times* said:

"Financial incentives have been announced to encourage national museums and art galleries to charge entry fees."

How have the proposed changes in funding art galleries and museumns given rise to such fears?

The Government have latched on to a recommendation in a report from the Select Committee on Education, Science and Arts as a way of making up the shortfalls in running costs imposed by the Government's restrictions on public spending. Hence the encouragement of voluntary admission charges for art galleries and museums. The Select Committee's eighth report of 1981-82, entitled, "Public and Private Funding of the Arts", recommended:

"The 're-vote' procedure for national museums and galleries should be abolished and where they engage in successful trading they should have the right to retain their profits."

No one could disagree with that. The report also recommended that museums and galleries should be encouraged to expand all available sources of income. Again, no one could object to that.

The Government's response in Comnd. 9127 seemed to agree with

"the need to provide incentives to maximise earnings."

Ay, there's the rub. On 26 July 1985, the then Minister for the Arts, Lord Gowrie, said:

"The Government intend to change this system to provide greater incentives for the national museums and galleries both to maximise their receipts (whether by the operations of their Vote-financed trading activities such as shops, by charging for admission where appropriate, or in other ways) and to use these more effectively. This also should improve the institutions' ability to respond flexibility to the needs of their visitors, in hours of opening and other matters . . . These changes should markedly improve the ability of the institutions to help themselves."—[*Official Report, House of Lords*, 26 July 1985; Vol. 466, c. 1541-2.]

All that I can say to that is that Sam Smiles is never dead.

On 10 February 1986, the Government proposed that the present net grants should be grants in aid, the main aim being to provide a tangible incentive to earn revenue, the change taking effect from the 1986-87 financial year. For each institution, it is proposed that there will be a single grant in aid which covers its purchases and its running costs.

To give the institutions a stable basis for their forward planning, the Government do not intend to make any further changes in the arrangements for at least the first three years of the grant in aid system.

I have tried to outline the financial background to the proposals which have led to fears about the imposition of charges at museums and art galleries. The Select Committee on Education, Science and Arts sought the opinions of distinguished directors of major galleries on the new financial proposals in written and oral evidence. I am a member of that Committee and I took part in discussions with four major directors. I should like to support what Sir Roy Strong said in a letter to the Committee on 24 April:

"our primary concern about the change to grant-in-aid is that the system will be used as a means of reducing government support to the institutions. The Government has given a commitment that, for at least three years, the level of grant will be unaffected by the level of receipts. In real terms, Government support is already reducing - the planning figure (2½ per cent. increase) for the next two years will not keep pace with inflation and does not include a realistic allowance for pay increases outside our control. We fear that our increasing earnings will provide the opportunity for Government funds to be diverted elsewhere. The fact is that current and past funding has been totally inadequate and we shall need every penny of our increased earnings in order for us to achieve the level of performance, efficiency and service to the public which is our aim."

When giving evidence to the Select Committee, Sir Roy said:

"Over the last five or seven years the funding of the V & A and the other national collections has been at an increase which is a figure which Government says inflation is and then there is a pay settlement for the Civil Service which is almost always in excess of that. At the moment we have a 2·9 per cent. increase for 1986-87 but it looks as though there will be a 6 per cent. pay settlement for the Civil Service. That has happened every year for five or seven years. No extra money has been given, whereas in the old days there . . . 'We therefore saw and still see no advantages for us in the Minister's proposal for change, and I believe a majority of the institutions affected shared our view.' Do the other members of the panel share that same view?"

We also heard from Dr. Cossons, another famous director, on 24 April. He agreed with Sir Roy Strong and said:

"We therefore find ourselves in the situation where the increase in the level of basic funding is so far below the level of pay settlements and inflation that it is leading to a state of serious reduction in real terms in the level of museum funding from the Treasury. The implication of this for museums is very serious."

I asked him to expand on that statement and he replied:

"Yes, I think Sir Roy has probably said everything I could say. The national museums are the victims of a system which is a cash limit system in which our grant is related to a predicted inflation rate, and when the salary and wage award is substantially larger than that - - and we are all highly labour-intensive organisations - - a large part of our budget goes on people. The amount which those people then have to spend to do the job which they are employed to do is seriously diminished so we reduce the staff numbers or both, but the net effect is one of reducing what we can do for our collections and for our public. It was precisely that pressure that propelled the trustees of the National Maritime Museum, on my recommendation, to go for a plural funding approach with admission charges in April 1984 - - I was Director of the National Maritime Museum until nine weeks ago. The Science Museum has no plans at present to charge admission but it is, nevertheless, faced by exactly the same problem and we have to address that issue within the next six months."

I am convinced that, in all this, there has been completely inadequate funding for our national museums and art galleries. I was appalled some years ago when, during a visit to one of our national museums, there was a thunderstorm and I saw staff running around putting down bowls and buckets to catch the rain water. On making inquiries, I discovered that Government funding for repairing that ancient building was totally inadequate. We had a silly system. The Department of the Environment gave a grant of £1 million for repairs, but the Treasury charged 15 per cent. VAT on those repairs. I suspect that we shall never plug the leaks.

I raised the matter on the Floor of the House at the time. The present Minister said recently in Committee that the Government had gone some way to improve the system by providing more money for repairs. I hope that he will be able to mention that today. The proposed method of funding our museums and galleries is, I believe, merely a back-door method of introducing admission charges to help with the running of our national institutions. If that is so - I invite the Minister to say whether it is or not - it will have a devastating effect on those in our society who cannot afford to pay admission prices - old-age pensioners, the young, the unemployed and the extremely poor.

I hope that the Minister is not about to put the clock back to the 1970s by sending out a message to our citizens that we get what we pay for - the age-old prerogative of the harlot throughout history.

12.29 pm

Mr. Christopher Murphy (Welwyn Hatfield): In recent years much has been written and spoken of the significance of increasing leisure time. I should like to contribute to that in terms of the value of the arts during this debate.

From the outset, and despite the ritual carping of the Opposition, it should be recognised and appreciated that the Government have fulfilled the two major strands of their arts policy: to keep up the level of state support and create the conditions in which the arts can develop by attracting additional funds from other sources, and to safeguard Britain's heritage. In the light of the economic difficulties inherited from the Opposition parties that is no mean achievement in more ways than one. The hon. Member for Paisley, South (Mr. Buchan) criticises the picture painted by my right hon. Friend the Minister, but the Government's picture has its provenance and the Opposition's painting is a fake.

The role of the arts in the tourist industry has already received wide analysis and by now should be self-evident. What has apparently received only narrow analysis is the role of the arts vis-a-vis the developing lifestyle of Britons. Clearly, in the short term, with the unfortunate rise in unemployment, more free time has been available to some people. But perhaps of more long-term significance is the positive choice that is being made between work and leisure, and between increased income and increased time off.

Already more people go to the theatre than attend football matches. Indeed, to put that in perspective, more than 40 million people a year attend our museums and galleries. This changing pattern of life needs to be reflected in Government policy decisions and in the actions taken by private enterprise. A good example of such forward thinking is to be seen in the London docklands, where the regeneration of that derelict area seeks a balance between the needs of work and play and those of commercial and residential use.

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It is neither sufficient simply to recognise the new importance that has been attached to the arts, nor to expect that the Government should be left to provide the necessary funds. Obviously, there is a role for the Treasury Bench in national funding and fiscal incentives, but there is an even greater role for the arts to increase their income through marketing and self-development. I urge them, as my right hon. friend has done, to step up their efforts in those directions.

While such attention is being devoted to the future it is especially welcome that great value has been placed on our past, because our heritage is strongly bound to the arts. In that context, it should be recalled that at the end of last year the Government acceded to the convention for the protection of the architectural heritage of Europe under the auspices of the Council of Europe. Such a commitment for caring for the past, as further evidenced by a budget of nearly £100 million, will provide valuable opportunities for the arts of the future. Enjoyment of the heritage has become a major pastime of many families and of our foreign visitors.

The logical connections between the arts and the heritage, and between them and the growth of leisure are fully comprehensible, but the schizophrenic attitude towards charging is wholly incomprehensible. I fear I must disagree with some of the views expressed by the hon. Member for Heywood and Middleton (Mr. Callaghan). The public expect to pay to visit a stately home, but not a public museum. Why not? The public expect to pay to attend a theatre or concert hall, but not to pay to visit a public gallery. Again, why not? Voluntary contributions are already pointing the way, especially after the signpost erected firmly by Sir Roy Strong at the Victoria and Albert museum.

Mr. Jim Callaghan: I am grateful to the hon. Gentleman for giving way, but he has just mentioned me by name. He asked why we should not charge for entrance to museums. In my speech I pointed out that charges would affect the poorer sections of our community. However, the Institution of Professional Civil Servants has recently done some research on the charges made at the Victoria and Albert museum. It says:

"Thousands of people have been put off visiting one of Britain's cultural meccas . . . In December 1985, just 66,692 visitors came, compared with 128,005 in December 1984. The November figure was 27,049 down on the same month the previous year. This makes a nonesense of the museum's aim to raise £500,000 through charging from 1,700,000 visitors". Charging is just nonsense.

Mr. Murphy: I appreciate what the hon. Gentleman says, but he must recognise that the contributions made at the Victoria and Albert museum are voluntary. I sought to stress the value of voluntary contributions and the lead to museum and gallery charges by Sir Roy Strong and the Victoria and Albert museum.

Mr. Gerald Bowden: Is it possible that the picketing outside the Victoria and Albert museum by civil servants and curatorial staff from neighbouring museums did more to put off visitors than voluntary contributions?

Mr. Murphy: My hon. Friend makes a very valid point. It is probably far too early to draw many conclusions about the consequences of contributing at the Victoria and Albert museum. But I believe that economic reality tells us that if I emphasise "if" the institution is allowed to keep the finance that it gains through charging, that should be encouraged and will produce beneficial results. Indeed, I think that the hon. Member for Heywood and Middleton may agree with me on that. With the necessary safeguards for students and the elderly, and perhaps a free day as is often found on the continent, let us gain the revenue from people enjoying their leisure, and that will include a great number of tourists from overseas. Such gain would enhance our arts and heritage, as the growth in private museums and private galleries that charge has emphatically shown.

Mr. Tony Banks: Could it not be that the British tourist industry is strong partly because people are attracted to Britain by our free museums and art galleries? Perhaps the hon. Gentleman should put that factor into the equation. Moreover, those of us who live in London already pay rates and taxes, so why should we also have to pay admission charges?

Mr. Murphy: One of the great attractions for overseas tourists is the arts and heritage to be found in the United Kingdom. Moreover, I believe that tourists would still want to come to Britain even if they were expected to pay, just as they pay in many other European countries which also have a great arts and heritage to offer to both tourists and their own people. The Government are extremely keen to cut the amount of taxation. Those who wish to contribute further towards the arts and the heritage should have the opportunity to do so through admission charges. Even if the hon. Member for Newham, North-West (Mr. Banks) does not agree with me, I hope that he will feel that I have answered his points.

As the arts, and with them, the heritage become associated more and more with the leisure activities of the many rather than the personal pursuit of the few, the partnership between the public and private sectors must become more and more realistic, to the benefit of us all.

12.40 pm

Mr. Tony Banks (Newham, North-West): This is our second full day's debate in 1986 on the arts, and I wish that we were discussing either some proposal from the Government, the Arts Council's budget or its allocation to client groups, rather than indulging in an artistic jog through the arts world. Nevertheless, the debate is welcome.

The hon. Member for Twickenham (Mr. Jessel) mentioned the number of arts questions tabled. Now that we have a Minister able to answer arts questions in this House, there is some point tabling arts questions. However, 10 minutes once a month is hardly sufficient. The average number of questions per month over the past 12 months has been 10, and we are not even getting through those. Perhaps the hon. Gentleman would ask his right hon. Friend the Leader of the House for more time for arts questions; that would be supported by both sides of the House.

The House has always had a great interest in the arts, but I detect that that has become sharper in recent years. The arts have taken a higher political profile for two main reasons. First, in part, is the current economic climate, in which even the arts world recognises that it must fight its corner in an era of attempted public expenditure cuts. Secondly, the activities of the local authorities, mainly

Labour-controlled, have greatly broadened the definition of arts and therefore the extent of public expenditure on the arts. I use the phrase "expenditure on the arts" rather than "subsidy of the arts" advisedly, because we must get the terminology right. Otherwise we could lose many of the arguments about resource allocation by suggesting that investing in the arts is not a fit and proper way to use public expenditure, whether national or local — it is a soft option, a sort of dream topping, on which one should not spend public money. We hear the terms "defence expenditure" and "arts subsidy". My terminology would be that we invest in arts, education and housing, spend on defence and subsidise agriculture — although that point is rather lost as the Ministers who were in the Chamber a short time ago have now gone. It is important that the terminology is correct.

The definition of what is the arts is not simply metaphysical; it holds the key to the public purse. By broadening the definition of arts and by moving from a rather elitist, essentially 19th century understanding to one that recognises a more popular cultural base means that many more art forms have become eligible for public investment by local authorities and regional arts associations. Therefore, it is essential to keep moving the frontiers of definition within the arts.

There is little doubt that Mozart and Bach would have composed film and television scores and used electronic keyboards and synthesisers. Shakespeare would undoubtedly have written plays for television — indeed, posthumously he has — */Interruption./* Posthumously, he has been given a great deal of television coverage, although, unfortunately, he has not benefited from the repeat fees that he no doubt would have welcomed. It is an interesting point. I believe that it has been said that if we had been able to claim all the copyright fees from Shakespeare since Tudor times, there would never have been a balance of payments problem in this country.

Had Shakespeare been knocking around today, he might also have been contributing to EastEnders and Coronation Street, because he was essentially a commercial playwright who earned his bread.

Mr. Gerald Bowden: Does the hon. Gentleman accept that if Shakespeare had been around today he, like Sam Wanamaker, would not have been allowed to establish a playhouse in Southwark because of the short-sightedness and small-mindedness of Southwark council?

Mr. Banks: That is an interesting point. I know that Sam Wanamaker has been pushing that idea around for a long time, and I have spoken to him about it in the past. I should very much like a playhouse to be established in Southwark on the site of the old theatre. I believe that it would add a great deal to London, provided that we did not start treating the arts merely as heritage. The hon. Member for Welwyn Hatfield (Mr. Murphy) rather suggested that he still sees the arts as heritage, but Shakespeare was very radical in his day. Had he been around today, some Conservative Members might have said that his plays were too political and should not receive GLC subsidy. Those are all interesting points, but I agree with the hon. Member for Dulwich (Mr. Bowden) that that theatre should be established in Southwark.

Mr. Murphy: To correct any misunderstanding, I should make it clear that I do not necessarily equate the arts with heritage. Like the hon. Gentleman, I accept that there is a great role for the living arts and looking towards the future. On the subject of Shakespeare, does the hon. Gentleman accept that Shakespeare was an excellent example of private sponsorship and that succeeding Governments could have gained considerably from such sponsorship?

Mr. Banks: The GLC was not around at the time, but had we been around I am sure that we would have given Shakespeare a grant.

Mr. Buchan: I am sure that the GLC, especially under my hon. Friend's chairmanship, would have given Shakespeare a grant. It would then no doubt have been attacked by Conservative Members for profligacy.

Mr. Banks: As many people subsequently realised, Shakespeare to some extent re-wrote history in favour of the Tudors, which may have had something to do with the source of his funding.

Mr. Greenway: In his day and posthumously, Shakespeare was one of the richest men of all time, but the GLC would no doubt have given him a grant all the same.

Mr. Banks: If he was that rich, he would no doubt have been contributing a great deal in tax and rates.

I feel that the drift of my speech has been somewhat lost, although I am glad to have stimulated so much activity on the Tory Benches. One could go on to talk about Leonardo da Vinci using photography and video but I shall not go into any further examples for fear of raising too much interest among Conservative Members. I have used those examples to demonstrate the clear link between art forms and the state of technology, a link which is not recognised in the enabling legislation relating to the arts.

The Local Government Act 1972 defines culture very much in 19th century terms — classical orchestral music, ballet, opera and art galleries — and no one would deny that they are art forms, but 20th century art forms such as television, photography, video, record distributions, community radio and community bookshops simply do not figure in that legislation. That is important, because, although authorities such as the GLC tried hard to promote cultural diversity, we found the legislation serverely lacking and at times exceedingly frustrating when we sought to extend the range of arts organisations to be funded.

The Minister, in his opening speech, congratulated the Government on muting the impact of the abolition of the GLC. In our last debate on this, I said that within six to 12 months

> "Up to 100 arts organisations in London could cease to exist". — [*Official Report*, 28 February 1986; Vol. 92, c. 1183.]

I would not wish to change one word of that, because the impact will be felt most in the ethnic and community arts sectors. It will not be evident to Ministers and hon. Members but it will be felt deeply by the communities affected.

Last Monday I asked the Minister a question about the black arts centre at the Roundhouse. I have received a letter from Remi Kapo who is doing his best to get things going at the Roundhouse. He says:

> "I feel that it is unrealistic of the Arts Minister to expect a centre like the Roundhouse, in the light of the social situation that exists in Britain today, to be able to raise £8·5 million without the direct assistance of the state".

[Mr. Banks]

Now that the GLC has gone, the only source in London of capital money for the arts has also gone. The Arts Council has got rid of its housing the arts budget. Capital constraints on local authorities are such that they cannot make capital contributions. Where can the black arts centre at the Roundhouse go for the money? I ask the Minister at least to meet representatives from the Roundhouse so that they can explain their position to him and so that he can consider ther plight more sympathetically.

When I walked into the Chamber today I had already predicted exactly who would be here because the subject attracts the same crowd. I recall years ago going to watch footbal matches. I turned up on the terrace and knew exactly who would be standing nearby and who would get the Bovril at half-time.

Some right hon. and hon. Members believe that we should not provide money for the arts. They believe that the arts should stand or fall according to their resources. The matter comes up frequently at Question Time. The arts have been supported from outside for a long time. We enjoyed a diversion earlier when we discussed Shakespeare. In the seventeenh and eighteenth centuries the patronage of individuals enabled the arts to flourish. In the nineteenth and twentieth centuries the state has had that role. The state, on behalf of us all, not as an alien creation, invests in the arts. But many are still reluctant to acknowledge the state's role in cultural matters. Many think of the arts as an elusive private world rather than a complex social, economic and political structure.

The state works through non-elected quangos, which are given an assumed indentity to make them look as if they are elected bodies. They are described as councils. I think of the Arts Council the Sports Council, the British Council and the Press Council. The illusion is that they are democratic, but we know that they are not.

The state attempts to obscure its role in policy matters by adopting such spurious devices as the arm's length principle. I reject that principle. It is intendend to take the arts out of politics, but it does not. This debate is in a political forum. Under the arm's length principle Government influence is by remote control.

The appointees to all the quangos described as councils tend to reflect the same view of the world as the politicians who make the appointments. That is only human and is as true of a Labour Government as of a Conservative Government. This shows the high level of hypocrisy that exists in British politics all the time and not only now. We delude ourselves if we say that politics can be removed from certain areas of activity. It is said more and more in the House, especially by those who do not like what is going on in the various spheres of social activity, that politics should be taken out of education, the Civil Service, health and the arts, and Mr. Widdicombe more or less suggested that we should take politics out of local government. That cannot be done. We in this place should know as well as anyone that politics are central to all aspects of society's organisation, even to the quality of the air that we breathe. At one time we could say that the graveyard was the only place where politics did not intrude, but given the controversy surrounding the death benefit I am not sure about that now.

I have been assured by my hon. Friend the Member for Paisley, South (Mr. Buchan), who spoke from the Opposition Front Bench, that the next Labour Government will set up a Ministry of culture that will cover all cultural activities. It will operate as far as possible through elected local authorities.

The Minister has made great play about the amount of money that is being spent on the arts. I do not want to detain the House for too long by going through all the different forms of analysis that can be presented to show that instead of spending large sums on the arts, the Government have removed funding.

If I could find the document among all the detritus on the Bench from which I am speaking, I would refer the Minister to a statement that has been issued by the Arts Council which shows that on the basis of the retail price index—this was argued by my hon. Friend the Member for Paisley, South—the arts have lost out in real terms since the Government were elected.

I shall not cross swords with the Minister on that arid topic. I shall merely contrast the amount that we spend on defence, which is £18,000 million a year, with the budget for the arts that is operated through the Minister's Office. Only 0·6 per cent. of the Government's expenditure for 1985-86 was directed to the arts. The values of a society that can spend such vast sums on weapons of death and destruction and so little on great creativity that the arts present for the people as a whole are all wrong.

We spend money on the arts because it is one of the finest areas of public investment in both social and economic terms. It is an investment in human creativity and there is no finer investment that we can make. It is in the arts and through the arts that we see people at their best, whether they are producers or consumers. The Minister has said that there are more people enjoying the arts than enjoy football matches, and that is true. Also we tend not to get the crowd violence at the opera house that we see, unfortunately, at football matches from time to time.

My hon. Friend the Member for Paisley, South, has said that the Labour party would invest heavily in the arts. That is because the arts remove the blinkers from our eyes. The artist can convey powerful messages about the nature of the society in which a people live. That is why over the years, and in different systems, the artist has found that books have been burned and work has been suppressed. That has happened because of the immensely powerful medium that the arts presents for those who want to get over a message, and that is why the next Labour Government will invest in the arts in a big way. It is one of the finest forms of investment, and through the flourishing of the arts the British people will perhaps understand more of the nature of the society in which they live.

If cultural activity is taken as a whole, it is an extensive industry. The Musicians Union produced some evidence recently to show that copyright produces about 2·5 per cent. of gross national product. The amount is greater than that produced by the motor car industry and the food manufacturing industry. That shows the size of the cultural industries we are considering.

According to the institute of employment research at Warwick university, jobs in the leisure, artistic and sports category are set to increase by 30 per cent. during the 1980s. When that is added to the £6,000 million produced by the tourist industry, it can be seen that the cultural institutions are an enormous industry. The industry needs more planning, support and encouragement than it is

getting from the Government. I look forward to the day when my hon. Friend the Member for Paisley, South, as Secretary of State, with a full Cabinet position — the head of a Ministry of culture — will unveil to a packed House — there will be more people in it than there are today — the new, cultural industry strategy of the new Labour Government.

1 pm

Mr. Robert Rhodes James (Cambridge): I am not in complete disagreement with what the hon. Member for Newham, North-West (Mr. Banks) said. I shall present my case to the House. My first book was published when I was 26 years of age. It was the first of 14 books which I have written. That book is about to be reissued. I never received a penny of public money to be an historian and to write my books. I am a supporter of Government assistance and support for the arts. I should like the hon. Gentleman and the House to bear in mind that some people who entered the fields of music, art and literature have had to do so alone. Perhaps we have been better off — not financially — as a result.

I am sorry that the right hon. Member for Blaenau, Gwent (Mr. Foot) is not present. I thought that it was fairly typical to try to attract Byron back to Oxford from Cambridge. I have a high regard for the right hon. Gentleman because he was the author of "The Pen and the Sword", which I still regard as one of the finest biographies, if not the finest, written in the past 30 years.

I welcome the opportunity to make a brief intervention, not least because it is the first occasion I have had to congratulate, publicly, my right hon. Friend the Minister for the Arts on his appointment. He and I served happily in the Foreign Office under the leadership of Lord Carrington. I am glad that my right hon. Friend is in his present position. Perhaps I should declare an interest in public lending right in that last year over 20,000 people borrowed my books. As this week has been, so far, the best week for higher education in this Parliament, I hope that this benign generosity will continue.

As the House is aware, there are five university museums — Cambridge, Oxford, Birmingham, London and Glasgow — whose costs are still met exclusively from the budget of the University Grants Committee. There has been a consistent annual reduction in the universities' budgets, in real terms, of 2 per cent. That has had a particularly strong effect on the universities and museums which are inevitably at the bottom of the list of priorities.

If I declare a personal interest in the case of Fitzwilliam museum in Cambridge, it is not simply because it is in my constituency. My father's first cousin, the late Montague Rhodes James, who was most famous for his ghost stories, was the provost of King's and Eton, and the second director of the Fitzwilliam.

With the exception of occasional donations and assistance for acquisitions, the museums are still treated as though they are part of universities; whereas in reality they are national institutions of real quality and importance. I remember, as a schoolboy, the great benefit I received from the Ashmolean in Oxford. The museums are not just for the universities; they are for the people of the cities, visitors, tourists and scholars. To regard them simply as part of the universities is, in my view, a ridiculous anachronism. I have made that point to previous Secretaries of State and I reiterate it to the new one. I ask my right hon. Friend the Minister for the Arts to discuss this matter with the new Secretary of State and to look hard at this lamentable anachronism.

Obviously, we in Cambridge are delighted by the news that the Royal Observatory is coming to Cambridge. We are grateful for the student grant review. As the vice-president of the appeal fund for Ely cathedral, I am delighted by the help that we have received from John Paul Getty II and the deserved honour that he has received. As trustee of the Cambridge symphony orchestra, I have looked again at the way in which the Budget has assisted the arts and the heritage.

Perhaps my right hon. Friend the Minister for the Arts in his discussions with the my right hon. Friend the Chancellor will, while thanking and praising him for the changes in the Finance Bill, emphasise that this is a good first step but should not be regarded as the end of encouragement to business, industry and individuals to invest and to promote not only their past but their children's future in all elements of the arts.

1.6 pm

Mr. Michael Hancock (Portsmouth, South): I apologise to you, Mr. Deputy Speaker, and to the Minister for having to leave after my contribution but I have to attend an important artistic event in my constituency — my daughter is dancing in the local festival — and I am committed to being there to see that major achievement.

Mr. Tony Banks: It is a good excuse.

Mr. Hancock: I am glad that the hon. Gentleman thinks so.

The Minister hit the nail on the head when he commented on the lack of Social Democratic party policy on the arts. That lack is regrettable but I am pleased to say, and I am sure that the Minister will be pleased to hear, that we hope that the SDP's new policy on the arts will be produced by the end of July. I am sure that the right hon. Gentleman will eagerly await a copy. I am sure that it is aimed in the right direction.

Mr. Buchan: Will the hon. Gentleman assure the House that, if that document is produced by the SDP, it will not immediately be repudiated by its leader?

Mr. Hancock: I shall come later to the finer details of how we arrived at that policy.

The hon. Member for Paisley, South (Mr. Buchan) rightly drew attention to the quote that he and my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) used. They drew the attention of the arts world and the population generally to the importance of the newer forms of the arts, as mentioned by the hon. Member for Newham, North-West (Mr. Banks). They both used the examples of "The Boys from the Blackstuff" and "Cathy Come Home".

Mr. Tony Banks: Did I?

Mr. Hancock: The hon. Member for Paisley, South did so. The hon. Member for Newham, North-West drew attention to the lack of importance given to new forms of the arts.

Hon. Members used those programmes to stress the importance of the artistic ability of the writer and the performer to bring across to the population the many things that were wrong in society and the reasons why

[Mr. Hancock]

there had been deterioration to such an extent that the new form of television production was the only effective way of getting them across. That is an important point.

It is no secret that there has always been a certain unease in the relationship between artists and politicians. It has been increased of late by the master and servant relationship which has been such a feature of the Tory approach. That unease could be dispelled if the arts were made an issue of state. The arts are generally in need of that reassurance. I am glad to say that the alliance is pledged and committed to make the arts an essential part of its political manifesto at the next general election.

There is no civilised society that does not recognise and respect artistic endeavour. There can surely be no healthy society where the arts are not vital to society's well-being. I hope that there is no future Government, of whatever persuasion, who do not aim to encourage the arts and to promote public participation in and appreciation of the arts.

An effective cultural policy cannot be separated from the philosophy which it informs. Equally, it must embody a vision of society and an awareness of the consequences of current social change. At no time in recent history has our society faced such a rapid and overpowering change as it does now. It is a technological and social change for which our political institutions are, regrettably, insufficiently prepared. Meanwhile, two issues are being pushed from the political fringe to the main stream of the new political agenda and that push is long overdue. Those two subjects are the arts and the environment. Therefore, the importance of a cultural policy as an essential part of any political party's manifesto has never been more apparent or more important.

In the 1960s much argument was devoted to what was labelled the technological society of the future. That future is now with us. Much has also been written about the increased leisure time, a concept which many hon. Members justly feel has been done to death. Yet increased leisure time has arrived for a significant number of people in the form of dehumanising and debilitating unemployment. How can questions concerning educational objectives be answered satisfactorily? I shall try to expose the weakness in the current policy and what we should be doing in the future to answer that undoubted need.

In a post-industrial society the arts policy has a vital educational role to play, offering a range of solutions to questions about lifestyle and the use of time in the increasingly leisured age in which we find ourselves. It is not always commonly assumed that the Government have responsibility for leisure and the creation of pleasure. However, the ancient and unquestioned issues of state, such as defence, education and health, are merely self-serving if detached from the more central objective; the creation of a civilised society which combines work with leisure and labour with pleasure. The arts are inseparable from a civilised society and we must accept, once and for all, that the arts are an issue of state in their own right and should be recognised as such.

The structural reform which I believe we undoubtedly need is having to be looked at seriously and hopefully that reform will take place. Nowhere is the divorce of the arts from the old issues of state more apparent than in the structure of the state support for the arts. The machinery of government is at fault. Broadcasting comes under the Home Office, heritage comes under the Department of the Environment, the arts in education comes under the Department of Education and Science, the promotion of arts abroad comes under the Foreign Office, the subsidised arts are sponsored by the Office of Arts and Libraries and the commercial arts, until 1985, were primarily a matter for the Department of Trade and Industry.

Can you imagine, Mr. Deputy Speaker, any Government structure more calculated to avoid all possibility of a coherent cultural policy? We must not continue to bind ourselves in a deep-rooted fear of a centralised Ministry of culture. We should all urge the Government and any future Government to reform the structure to create that Ministry, which is undoubtedly needed, and in whose support so many hon. Members have spoken.

I am glad to say—I draw the attention of the hon. Member for Paisley, South to this point—that I and my colleagues in the Social Democratic party have at long last got our act together as regards our arts policy and our Liberal partners have devoted much of their time to the debate. Although our deliberations have been independent, I am glad to say that on this issue we came to the same conclusion.

There are basic and practical reasons why there should be a Ministry for the Arts, combining the areas of common purpose, such as the arts and libraries, broadcasting and film. It is equally right and important that the Minister for the Arts should have Cabinet status. I hope that the alliance, if in a position of power, will propose that that responsibility should be exercised by one of the three non-departmental Cabinet Ministers, with the day-to-day responsibility resting with a Minister of State.

The cultural quangos which have been spoken about by other hon. Members are things that the alliance would like to see fundamentally changed. We also share the anxiety over the position of non-Government cultural bodies such as the Arts Council, the BBC, the British Film Institute, the Museums and Galleries Commission and the Crafts Council. The concept of freedom and choice has come to be embodied in the arms length principle that other hon. Members have mentioned. However, that important principle has increasingly come under attack from Right and Left. I suggest that the Left denies its continued usefulness as a principle, while the Right abuses it by appointing to the quangos those who share the same political preferences.

We in the alliance deplore those positions, and find them wholly unacceptable. We favour the retention of at least some quangos, but we are equally committed to radical reform of quangos by having directly elected people from regional organisations on them. Hon. Members might make the normal accusation that a balancing act is apparent in those suggestions but, as the hon. Member for Cambridge (Mr. Rhodes James) said, what is needed is for change to be taken a step at a time. The abolition of quangos in some areas and better ways of appointing members of quangos are the first steps that we should take. Therefore, I feel that the setting up of a Ministry is of prime importance, to give the arts the involvement that they undoubtedly need.

I refer to the financing of the arts. Now that they are under pressure to offer a wider-ranging and more comprehensive service to society, it is obvious that extra resources must be found for them, yet no Government —I make no exception for the alliance—can promise

that vast increases in funds will be readily available; nor can the arts simply mark up their prices and still maintain access to everyone.

There is a need for local authorities to produce a four-year arts development plan for submission to their regional arts associations, which could issue challenge funds for a range of agreed developments over that four-year planning period. The main concern would be to enable an expansion of resources by a participative approach, which would buttress the arts grant system with tax incentive structures and other legislative and fiscal measures. That will undoubtedly become apparent in our document, which I hope will be published by the end of July.

One effective method of encouraging private citizens to give to the arts would be to extend direct tax breaks to the private donor. That would attract greater spontaneity of generosity than is currently possible under the unwieldy four-year covenant system, and it would provide an obvious incentive to the donor to do more.

I have outlined some of the ways of financing the arts, but it must be stressed that direct Government expenditure must be forthcoming and must be seen in a more creative way than it is now. Hon. Members on both sides of the House have talked about the difficulties in which many people in the arts find themselves over VAT, and hon. Members have also rightly brought to the attention of the Minister the National Campaign for the Arts' latest handout, which refers to the sum of £140 million a year that the Exchequer gets directly from the arts. What a major step forward it would be if such resources could be directed back to the arts. What a major boost it would be at all levels if that innocuous sum could be put aside. I hope that the Minister will seriously consider the points made by his colleagues on that matter.

The first phase of any increase should aim to achieve a fairer balance of expenditure between regions where investment in the arts has been low and metropolitan London where investment has been highest. The second phase should allow a general increase in per capita expenditure throughout the country. The implications of an enlightened arts policy extend far beyond the artistic community. The advance of information technology and cable and satellite will pose fresh challenges not only to a Government but to an artistic world through the 1990s and into the next century.

The increase of tourism and leisure time will necessitate the upkeep of Britain's cultural image and the expansion of its cultural resources. The political view that there are no votes in the arts is outdated and misguided. The alliance has the will to act as a catalyst to the abundance of British artistic talent and to invest in that potentially powerful industry. The failure of any political party or politician to recognise that would be a major folly.

My constituency of Portsmouth is rich in heritage and flourishing in the arts world. Nevertheless, the only theatre in the city of Portsmouth, the King's theatre, is under grave threat, once again through lack of resources and the lack of ability to produce the goods that are needed in an area with a population of nearly 250,000 people. Once again, VAT has grave implications for the organisation that runs the theatre. Valued though its attempts are to sustain the theatre, it cannot go on indefinitely trying to achieve what is best artistically in the city of Portsmouth. I do not want that theatre to close, or the theatre to suffer in my constituency. The Government should be committed to helping theatres such as the King's theatre and others in the south which are struggling. That can be done only if there is a change of heart in the Government towards the way in which they treat the arts in general and theatres in particular.

In an area so rich in heritage as Portsmouth and Hampshire, enormous bonuses could be obtained from investment in the right area, not only by creating more tourism but by creating instant jobs by opening more of our heritage to more people. It is sad that, after 50 to 60 years, people will be charged to visit HMS Victory. The same is true for museums. Charges will be a deterrent to people taking their families to visit major attractions such as HMS Victory. There is so much wealth in our heritage that the Government should be able to identify areas of special interest and place resources there. A few million pounds invested in pump-priming exercises would show a return not only of many hundreds of jobs but of countless millions of pounds brought into the country through tourism.

I hope that today's debate is not exceptional, and that we need not wait another two years for a debate on the arts. The hon. Member for Paisley, South said that the previous large-scale debate on the arts was on 14 June 1984. That is interesting, because it is the day on which I was elected to the House.

Mr. Buchan: We cannot have everything can we?

Mr. Hancock: The excuse that day was that many Tory Members had to be in Portsmouth, South, defending that Tory seat from my challenge. Their presence hindered their candidate's ambitions of getting here, and helped mine. It was distasteful that the Government used my by-election and the European elections to hide the arts debate then, and they are using a Friday today.

I hope that the number of hon. Members who have taken part in the debate shows the Minister that he has the sympathy of the House. All that he needs is the strength to take this issue to the Cabinet and get more resources from the Goverment.

I apologise for leaving the Chamber now, but on this occasion my family is more important than this place.

1.22 pm

Mr. Gerald Bowden (Dulwich): The hon. Member for Paisley, South (Mr. Buchan) indulged in a romantic reverie about the ideal future—the Socialist utopia—in which the arts would be fully funded by the state, or fully directed by the state. Did he take into account the reality in areas where local authorities have a responsibility to promote the arts but have reacted in a small-minded and philistine way? I cite examples in my constituency. The right hon. Member for Blaenau Gwent (Mr. Foot) kept his conscience clean by saying that he did not buy *The Times*, but he took advantage of the copies in the Library. Such privileges are not available to my constituents who cannot read some newspapers in the public libraries because of the censorship exercised by Southwark borough council. The council refuses to stock some newspapers, for political reasons. Is that the generous attitude to the arts which the Socialist authorities of the future will adopt? If it is, we should note it now.

I noted also the patronising—if not denigrating and disparaging — way in which the hon. Member for Paisley, South quoted the firm which said that it wished

[Mr. Gerald Bowden]

to sponsor only those exhibitions with which it felt comfortable. Has he considered the activities with which Socialist Councils feel comfortable? In my constituency, there is a fine heritage site at Nunhead cemetery. It is a remarkable legacy from the past. Through beneficial neglect, it has become a nature reserve with wildlife exceptional in south London. An enthusiastic band of people have formed themselves into the friends of Nunhead cemetery to help to preserve and conserve it and to ensure that the facilities are made known to the area and treasured by it. But they are prohibited by the restrictive trade union attitudes of Southwark borough council from taking any part in maintaining the paths or clearing the ground.

Is that the way to harness enthusiasm for and participation in the arts? Is this how a Socialist authority will in future supervise, mastermind and direct the arts? If so, there is every reason to have "The Glory of the Garden", with a great deal of diverse funding and activities, rather than one central coherent cultural policy. That would be the dead hand which would devastate the flowering of the arts.

The Globe playhouse and Shakespeare's role in Southwark was referred to earlier, and I am pleased to see that the hon. Member for Southwark and Bermondsey (Mr. Hughes) is now present. We have seen the absurd hostility which Southwark council has directed towards this imaginative scheme, and I wonder whether the Opposition spokesman for the arts will use his influence to assist Southwark council towards enlightenment and to encourage it to reconsider the matter.

It is interesting to note that Shakespeare, who has been prayed in aid for the Opposition's view, worked at diverse levels. He produced great art, as we now recognise it; he produced popular entertainment, as we might now perceive it; and he was involved in a commercial activity which made great profit, to the ultimate benefit of the community at large. Edward Alleyn, the actor-manager of Shakespeare's company, made a great fortune which he used to establish schools in the southern end of the borough in Dulwich. He left other charitable bequests for the care for the young and the elderly.

Mr. Tony Banks: I thought for a moment that the hon. Gentleman was about to claim that Shakespeare was one of his constituents. Returning to the reconstruction of the Globe in Southwark, has the hon. Gentleman spoken to the Minister to see whether any funds are coming from that source, because Southwark borough council is extremely hard-pressed?

Mr. Bowden: It is a matter of planning rather than of funding, and the hon. Gentleman may like to use some of his influence on his Socialist colleagues on Southwark council. If we could overcome their inexplicable hostility to an imaginative cultural centre, it would do a great deal to regenerate life in an otherwise deprived part of London. I know that the hon. Member for Southwark and Bermondsey will forgive me for putting it in that way. I wish that Southwark council would think again. What I say will have no influence, but what the Opposition say may influence it.

From Edward Alleyn's schools and almshouses came the offshoot of a most interesting private gallery, the Dulwich picture gallery. I shall not go into its history, but a series of incidental and almost accidental events produced a magnificent collection of pictures of worldwide fame and status. The gallery is private and responsible for its own upkeep, but it has harnessed the community to it in a most constructive way. It makes an entry charge. I have no qualms about that, because many people are prepared, and indeed happy, to pay to see this great private benefaction. It has brought into play the friends of the Dulwich gallery who give of their services, time, expertise and enthusiasm voluntary to ensure that the gallery is staffed in a way which would not be possible if salaries had to be paid for their attendance.

I am grateful to the Minister's predecessor for looking favourably on the appeal launched by the Dulwich gallery to improve its security. It received sums from institutional donors, individuals and the Government, for which the people of Dulwich are extremely grateful. The Dulwich picture gallery appeal had a mixed bunch of contributions, rather than funding from a single source. I see that the hon. Member for Newham, North-West (Mr. Banks) is present. In a previous incarnation he made some contribution to the Dulwich gallery as chairman of the arts committee of Greater London council. It was gratefully received, but it was not without strings, whereas that which came from Government came freely and without any pressure.

Multiple funding and support is a strength of arts provision in Britain. I hope that I shall be forgiven by my hon. Friend the Member for Dorset, South (Viscount Cranborne) if I trespass into his constituency, but I recently came upon a most interesting form of private enterprise provision in the arts, which, perhaps, cannot be found elsewhere.

A private gallery has been established on the island of Portland on the Chesil beach. Those who walk along that wild, romantic seafront come across a small stone building which is an art gallery. One might not think of that part of Portland as a centre of arts excellence, but this gallery plays a full part in community life there. It is multi-faceted. It recently mounted an exhibition on the work being done to improve the seaworthiness of the Chesil beach. The firm of civil engineers involved sponsored an exhibition at the gallery to show the local community what is happening. The arts are being used as a form of communication and community adherence there.

The gallery was founded by an enthusiastic individual who had been a teacher in an art school. She wants to give young artists who are unable to get sponsorship through commercial galleries or those who wish to display their work without going through the difficulties of mounting an exhibition in a big gallery the opportunity to show their work while living in the gallery. That has not been promoted by the local authority or the Arts Council: it might be described as private patronage. It is the sort of initiative to be encouraged.

I fear that, if we had a Minister of culture and a "coherent culture and arts policy", there would be no momentum for such private promotion. The opportunity would still exist, but without that blend of enthusiasm, challenge and a hint of commerce it would lack spark. I wholeheartedly applaud the approach which my right hon. Friend the Minister has taken. We should not look to just one source to finance the arts. We should seek pluralism. In that way, we will ensure the strength of the arts so that they may flourish, their independence assured.

1.33 pm

Mr. Mark Fisher (Stoke-on-Trent, Central): No Opposition Member would disagree with the hon. Member for Dulwich (Mr. Bowden) about a plural approach to the arts. We complain that the Government are neglecting their resposibilities as part of that plurality.

The hon. Member for Dulwich will remember that the Minister's predecessor, Lord Gowrie, had a high profile as the Minister with responsibility for the arts. When he was Minister, the arts were on the political agenda. At least, the Minister was on television. That might not be quite the same thing, but Lord Gowrie felt that the two were synonymous. Unfortunately, the energy and activity that he brought to the arts and art policy was almost wholly destructive.

Under the new Minister, the Government have returned to the more usual quietude, near passivity, even, possibly, torpor in regard to arts policy. Perhaps most people in the arts world would say that that passivity is preferable to the damage wrought by his predecessor.

If someone cannot do good, he should at least do nothing. The Minister's languid non-style demonstrated just how that passive attitude towards the arts has developed in the Government's thinking. I listened carefully to the Minister's speech and shall take up some of his points. He laid down what he believed was an adequate framework for the arts. He used words such as challenge, tremendous, outstanding, and immense, which were all verbal attempts to inject vigour into a policy that was noticeable for its lack of it. No amount of tired adjectives can hide the complete inadequacy of the Government's policy towards the arts.

The Minister said that after 10 years, business sponsorship now amounted to £20 million out of his figure of £320 million spent on the arts. That is less than 7 per cent. It was complained that that was not even on the margin. One must agree that 7 per cent. represents a very marginal element of expenditure on the arts. The Minister also referred to private patronage and spoke about the generosity of John Paul Getty and the not entirely unconnected fact that he was made a knight. He also mentioned Mrs. Sainsbury—perhaps she can expect to be made a dame in the near future.

My hon. Friend the Member for Newham, North-West (Mr. Banks) said that the Government's policies were more like those pursued in the 19th century. Typically, he was being too generous. In lauding private patronage, the Minister was bravely leading the country back to the 18th century. The Government can certainly take no credit when it comes to funding the arts. They are doing little to promote private patronage through tax incentives even though that might be consistent with their views.

Undoubtedly some very good things flow from private patronage. One need think only of the Sainsbury bequest to the University of East Anglia, which represents a most remarkable embellishment of that part of the world and is much to be welcomed. But such bequests reflect no credit on the Government and do not represent an adequate national policy for the arts. The Minister also referred to Budget changes, and to immense opportunity. Perhaps he could put some figures on that benefit. He shakes his head, because he probably knows full well that those changes will have a minimal impact on the arts. If he demurs, he should tell us what the benefit to the arts would will be in cash terms.

The Minister also exhorted people to attend performances. We would all agree with that, as it is a fine and laudable aim. But it is not an adequate policy for expanding the range and variety of audiences or for making the arts available to everyone. His words would have more impact if he was prepared to put pressure on the Chancellor of the Exchequer in order to abolish VAT on the performing arts. That, together with a more expanded economy would have an effect on audiences.

The Minister made great play of marketing and claimed that Opposition Members and many of those in the arts thought that marketing was a dirty word. That is absolute nonsense. One of the best examples of marketing the arts that the world has ever known was supplied by the Labour-controlled GLC. It did more than anyone to promote, energise and excite people about the arts in Greater London. Marketing was its speciality. When the GLC existed, one could not open a newspaper without seeing well-designed, attractive and seductive advertisements telling people to visit the South bank or other projects. One seldom sees such advertisements for the South bank now, perhaps because the South bank is under-financed and cannot promote its programmes which were, of course, inherited from the GLC.

Thus the Government's policy is one of marketing, increased exhortation to attendance, tax changes, private patronage and business sponsorship. They are the old Conservative nostrums. They all have a part to play, and no one doubts that. My hon. Friend the Member for Paisley, South (Mr. Buchan) made it clear that the Labour party believes in a pluralist approach. All of those aspects of policy have a role to play, but they do not add up to a national policy. Thus the Government's policy is totally inadequate. The Government do not even begin to address the wider variety of the arts or the need for experimentation, for education, and for community arts, or the needs of rural areas, public libraries and arts centres. All those things must play a role in the arts, but none of them is assisted by any of the policies outlined by the Minister.

The truth is that this Government have created a crisis in the arts that has demoralised artists and administrators throughout the country. If the Minister listens to those he meets when he travels throughout the country, he will know that that is true. If he has not heard that, he has not met the right people. Those administering or creating the arts and the audiences say that the Government's policies are wholly inadequate. The Minister must be deaf or be meeting only a selective range of people because one has to tread carefully to meet people in the arts world who congratulate the Government on their policies.

Some vital and exciting things are happening in the arts because of the Arts Council, such as the building of the Victoria theatre in Stoke-on-Trent—the first purpose-built theatre in the round in this country, rather amazingly. It will be a magnificent theatre and I urge the Minister to visit it. We are grateful to the Arts Council and local authorities for making it possible. However, that does not disguise the fact that so much could and should be happening that is new, exciting and good in the arts. That is not happening because the arts are under funded and administrators are being distracted by having to rush around defending their budgets against inflation and other factors.

The Minister mentioned funding, especially that for the Arts Council. Can he confirm that in a recent letter to the

[Mr. Mark Fisher]

Arts Council – which I understand is not confidential – he indicated that the 1987-88 grant would include an increase of only 2·5 per cent? Can he further confirm that such an increase would be below the likely rate of retail price index inflation? Does he, as a fair-minded man, accept that RPI inflation is not the same as inflation in the arts, which are very labour-intensive? The arts have particular problems, so even if the grant were protected against the normal rate of inflation, it would not be adequate to protect the Arts Council's clients in that year. I should be grateful if the Minister would answer those points when he replies.

If I am right in my fear, the Minister must admit that it is a cut in real terms, and inevitably the whole regional development thrust of the Arts Council will have to be frozen. The Minister will know from previous debates that I am not one who fully likes "The Glory of the Garden". I accept that it was probably better than nothing as a regional policy, but although its critique that too much money was being centralised on London was correct, its remedy and treatment were faulty. There is a danger that it will simply recreate in the centres of excellence the same imbalance regionally as hitherto there was nationally.

There must be a dimension to "The Glory of the Garden" for rural areas, arts centres, diversity and touring, which did not have a look in in that document. However, I accept that it is the right direction for the Arts Council, if the wrong specific development. If the Arts Council is to suffer a cut in real terms yet again, that policy will probably have to go as well.

The Minister attempted to make us believe that everything was fine with funding for metropolitan counties. That is not true. Because of the work of local authorities—and no thanks to the Minister—the damage from abolition that could have been wrought on the arts has, for this year, been prevented to some extent. I welcome last week's agreement with Merseyside city council about funding. However, the Minister must acknowledge that even that agreement will leave half a dozen clients—for example, the Philharmonic hall—with a shortfall of funds.

The Minister's idea that everything is fine on Merseyside and elsewhere is simply not true and he knows that because he is a fair-minded man. The situation may not be so bad as some of us feared, but that is thanks to the local authorities. All is far from well this year and the impact of abolition for the metropolitan areas in 1987-88 will be grim indeed. Is it true that the Arts Council funds to address the problems of abolition in 1987-88 are to be tapered from £25 million to £21 million? Is the Minister still asking local authorities to find £4 million more, and how does he intend to resolve that problem? Will he urge his right hon. Friend the Secretary of State for the Environment to release local government from its financial constraints so that it can address that and the many other problems facing it?

There is one further specific point to be dealt with in this catalogue of questions about the Arts Council. Will the Minister side with the Arts Council in its attempt to get a fair deal for visual artists and photographers who, in my view and that of experts who know far more about the subject than I do, are being put in a highly invidious position by the Government's failure to ratify and implement the Berne convention. As I am sure the Minister knows, counsel's opinion is that section 4(3) of the Copyright Act 1956 is in contravention of the Berne convention and is enormously to the prejudice of visual artists and photographers. Will the Minister join the Arts Council in putting pressure on the Department of Trade and Industry to resolve the matter and to ensure that new legislation equalises the position and brings it into line with the Berne convention? I think that that will cost the Minister nothing, but the arts world, and especially the visual arts, will be extremely grateful.

To return to my central point about the funding of the Arts Council in the metropolitan areas, the whole thrust of expansion of the arts in those areas has been lost. The money may have been saved, but the enormous drive that those authorities – as bodies as well as funding organisations – to expand the arts in those areas has been lost, together with the impulsion towards new audiences and new ways of looking at arts provision and further expansion of arts content. The metropolitan authorities and even the GLC had only begun a process that must continue for the good of the arts world. They gave a brief glimpse of the kind of arts culture that would benefit this country and reflect all aspects of life in this country, an arts culture that would reflect in our cities and rural areas the views, aspirations and ideals of minorities as well as wider communities, of those who dissent from what the Government are doing as well as those who applaud it, those who are suffering under the Government as well as those in other parts of the country who are prospering, those who are angry at what is happening in our society and wish to change it as well as those who are content. The arts policy of the metropolitan counties allowed that variety of expression and that kind of vision of the world in which we live, and that is what the arts should be doing.

The metropolitian counties were also starting to increase the audience for the arts as well as training in the arts, but there is a great deal more to do. I am sure that the Minister, like other hon. Members, will have received letters from constituents who have enormous talent, or whose children have enormous talent, but cannot go to the drama, dance and music schools that they need, and to which the country needs them to go, because they can no longer obtain discretionary awards. Some of the most frustrating and tragic constituency cases involve young people with talent, ability and great enthusiasm whom local authorities are having to inform that there is no money for discretionary awards so they cannot help them develop into dancers, visual artists or actors. The Government are saying, "If you have money, fine, you have a chance to develop. If you have no money, tough luck." That is not fair to the individuals. It is not good for the arts or for the country that such talent should be wasted. What does the Minister intend to do to address the question of discretionary awards and in-service training?

Mr. Simon Hughes: The hon. Gentleman's remarks are pertinent to me because recently I was told about a 12-year-old who is an excellent dancer with a wonderful pedigree and background but who is unable to obtain the funding to go to the only place in Britain to give her a chance of a career as a dancer. The problem affects not only teenagers and young adults, but the very young. Other countries which attach importance to culture ensure that young people with talent are supported.

Mr. Fisher: I agree. Such young people will not necessarily be Nureyevs, David Hockneys or Janet Smiths, but they should be allowed to develop their love of and interest in the arts and to provide the basis of the new audience which will comprise not only middle class people with an enriched education or people with a home background that widens their appreciation, but be a wider and new audience. To some extent local authorities were helping to develop that wider audience. I hope that the Government will examine seriously the possibility of imposing a mandatory rate so that all local authorities will be able to take the arts as seriously as the metropolital authorities took them.

We must consider the importance of the rural areas. We must establish arts centres in such areas and encourage touring dance and drama groups, large and small, to perform before expanding audiences. We must target interest on the neglected sectors and potential audiences.

I am thinking of the ethnic minorities and the rich mutual exchange of arts culture and arts dialogue. The new and wider audiences will come from the young through theatre and dance in education, artists in residence and writers in schools. Arts education must be built into the core curriculum and should be part of the core teacher-training curriculum. It is important that primary school teachers in particular have an understanding and love of arts teaching.

The excellent Gulbenkian report lies on the shelves gathering dust because of lack of funds. That is a tragedy. The majority of young people experience no educational drama. In some secondary schools they have that opportunity, but the majority of secondary schools are not able to offer such education. The majority of young people experience no dance education. The visual arts are crammed in with design technology, which is an insult to the worthy elements of a curriculum.

Children leave school without confidence in their ability to think or express their feelings through creative writing. The awful truth is that many young people leave school without visiting the theatre, a museum or a gallery and without having been to a dance performance or concert. They have never even been given the taste of the possible horizons. The Minister might find that hard to believe, but it is true throughout the country.

The Minister should address the neglect of young people which will make it impossible to create the wider audience. There is no sense in what the Minister is doing. The arts are central to life and to the life of our young people. The arts are important in terms of how we see our world and how we interpret it, to the stories that we tell ourselves and to the way in which we help each other to look at the world around us. They are important to the way that we open our eyes and express ourselves. All that is important to our young people and to the health of our society. Unfortunately, the Government are doing little to expand the waiting audience that could be benefiting in so many ways. It is sad that the Government lack the necessary vision. It was certainly not apparent in the Minister's speech, well intentioned though he is. If the Government have a policy, it tends to be one—this is the view that is expressed by Conservative Back Benchers rather than by the Minister—that is based on the arts being a piacebo. Conservative Members regard the arts as a source of pleasure and decoration and, possibly, even a distraction from the problems that face our society, but that is not enough for the arts. The arts must be much more than that. They must be challenging. They must extend our vision and make us question and reflect on our life, our culture and the way in which we interact. The arts must concentrate our minds and thoughts rather than distract us. That is a vision for the arts that the Government lack.

Serious though the underfunding and under-resourcing of the arts are, it is a fact that we have a Government and a Minister with responsibilities for the arts, well-intentioned though he is personally, who lack the necessary vision. That is why the arts are in crisis. That is why artists throughout the country are despairing. Incidentally, they are waiting with impatience for the next general election so that they can vote for a Labour Government who will have the necessary vision and will provide the funds to implement it.

1.56 pm

Mr. Harry Greenway (Ealing, North): I could not possibly go down the same road as the hon. Member for Stoke-on-Trent, Central (Mr. Fisher), especially as it led to an absurd and unacceptable conclusion upon which the nation will repudiate him within two years of this moment, or thereabouts.

The hon. Member said that when many children leave school they are unable to express themselves through creative writing. That is an extravagant claim. If children leave school with that inability, that must be the result of bad teaching. There has never been a time when there has been a richer culture for our children. Some television programmes, for example, are bad and crude, but many of them are extremely rich. Children are able to pick up much from television as well as from reading.

Mr. Fisher *rose*——

Mr. Greenway: The hon. Gentleman spoke for 26 minutes and I believe that I should be allowed to continue uninterrupted.

I am currently marking 500 or 600 English language examination papers at O-level or above. They include some most interesting and imaginative essays that are full of highly creative writing on all sorts of topics. They come from all parts of the country, including deprived areas, the hon. Gentleman's assertion is bunkum.

It has been tedious to listen to a catalogue of woe from the Opposition Benches, including those occupied by the Liberal and SDP parties, which has been directed only to money. It seems that Opposition Members have no concept of the content of the arts, no concept of the joy of beholding a piece of sculpture, reading a fine book or watching a fine film. There is none of that concept on the Opposition benches.

Mr. Fisher: Rubbish.

Mr. Greenway: As I have said, I listened to the hon. Gentleman for 26 minutes and I have a right to make my contribution.

The danger of the Opposition's approach is to undermine the role that individuals and groups of individuals can play. It is all very well to sit back and feel good because millions of pounds of other people's money are being spent on the arts, but individuals want to make their own contribution to the arts according to their means as well as to other things. The Opposition are wrong to overlook that attitude and to dismiss it.

[Mr. Greenway]

It will be recalled that £71 million of the former GLC's money was redistributed to the London boroughs recently, including Labour-controlled boroughs. For example, £4·2 million was received by the London borough of Ealing. Not one penny of that sum has gone into the arts. That was a windfall if ever there was one for that borough, and other boroughs had similar windfalls. That is true right across London. It is dreadful that none of the money has been directed to the arts.

I know the hon. Member for Heywood and Middleton (Mr. Callaghan) well and regard him highly and I am sorry that he is not in his place. I was surprised by his assertion that the museums are charging. The hon. Gentleman sat with me on the Select Committee on Education, Science and Arts. We heard the Minister — he is in his place today — say to that Committee only a few weeks ago that contributions to museums were contributions only. They were made voluntarily. It was additional money for the work of the museums and would never become charges under the Government. The hon. Gentleman said that they were charges and that the Government had something to answer for. He was not even-handed when he said that.

Recently, in written and oral questions, I asked about the future of the Sadler's Wells theatre. I ask my right hon. Friend in his response to the debate, to reiterate the Government's commitment, in principle and morally, to the Arts Council and to the work of Sadler's Wells, which is greatly appreciated in London and elsewhere. On more than one occasion recently, Sadler's Wells has found itself threatened with possible closure. If that theatre feels that it has the moral support of the Government, the Arts Council — in terms of cash — the support of the public, which unquestionably it has, the support of industry, business, and so on, it can have confidence in its future. I am sure that the theatre has a rich future and that it is appreciated by hon. Members.

My hon. Friend the Member for Dulwich (Mr. Bowden) referred indirectly to newspapers and magazines. There is no greater expression of the nation's ability to read, write, think, argue, discuss, debate and develop points than our diverse newspaper industry. That includes magazines and the rich background of book writing and pamphleteering. Newspapers and magazines on tape are available for the blind and the elderly. If the elderly can no longer see they can listen to tapes.

Newspapers have always been available in public libraries in this country for anyone wishing to read them. They are available in the Library of the House of Commons. The newspapers available and distributed in libraries have always included way out publications, from my point of view — it may not be everyone's point of view — such as the former *Daily Worker* and the *Morning Star* of today. Such newspapers are dedicated to undermining our political system.

Sadly, many Labour authorities are banning *The Times*, the *Sun* and other National Union of Journalists newspapers from libraries which, after all, are run by public funds. That deprives those who wish to read newspapers of their right to do so. The Labour party must face the fact that that is censorship of a serious and unacceptable kind. The country is disturbed about it. A council in Ealing has banned newspapers from Ealing's libraries which have been available for generations. The public, some of whom voted Labour, are up in arms about that, and rightly so.

If it is the duty of the House to support the arts — that includes one's right to read what one wishes and one's right to say what one wishes, within the law — it must follow that it is outright censorship and downright aggression by the Labour party that newspapers should be banned. The Labour party must face the hard word censorship, which it does not like.

If such action increased and if newspapers such as *The Guardian* and *The Observer* were banned, we would be reduced to a Russian position, where people are allowed only to read *Pravda*. That is a logical conclusion to what the Labour party is doing in many boroughs.

If Labour local authorities take it upon themselves to censor newspapers and magazines, the Government have a duty to preserve freedom of speech. I hope that my right hon. Friend the Minister will exercise the powers which I believe he has under the Public Libraries and Museums Act 1964 to order those local authorities to ensure that *The Times*, *The Sun* and the other publications which have been banned in that Fascist manner are restored to libraries.

Freedom of speech is fundamental to the life of the nation. When it is attacked, as I have described, the House has a duty unremittingly to keep the matter before the nation. Conservative Members will continue to do that. We are not concerned with what is happening at Wapping. That is a different issue.

Mr. Buchan: It is not.

Mr. Greenway: It is a different issue. The central issue is a man's freedom to read and to speak. I shall not go into the rights and wrongs of Wapping, because that is another matter. It is outrageous that the Labour party allowed it to happen and condoned it in the House. I hope that Labour Members will change their minds and support freedom of speech, as they have always done.

2.6 pm

Mr. Buchan: By leave of the House, Mr. Deputy Speaker, I should like to pick up the last point made by the hon. Member for Ealing, North (Mr. Greenway). I shall fight side-by-side with the hon. Gentleman in defence of the presence of publications in libraries, so long as he will join with me in condemning the monopoly whereby about three people, including Murdoch and Maxwell, dominate the press. That is infinitely worse than any censorship exerted by any local authority. We have fewer newspapers than any other major country. There are aspects of expression and ideas which are not reflected by the press. There is a monopoly by the class supported by the hon. Gentleman. I shall go along with the hon. Member for Ealing, North to defend publications if he will join me in my condemnation. I have said that publicly; let him say the same.

Will the hon. Member for Ealing, North, come with me to see the major wholesalers—Menzies and Smith—and insist that they offer at every outlet every journal published in this country? If he does, I shall go with him on a deputation to his local council in relation to the local library. I shall leave it at that, unless the hon. Gentleman says yes.

A number of valuable points have been put forward but I have to concentrate on only a few of the main themes.

I should like to pick up a point raised by my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher), supported by my hon. Friend the Member for Newham, North-West (Mr. Banks), on abolition. We are concerned not just with funding but with the fact that the abolished local authorities were those that had given us a vision of the type of developments that can play a part in the arts. One of the greatest tragedies for the arts has been the fact that abolition is destroying those local authorities.

Conservative Members claim that there has been full restitution of funding. On the contrary, there are two major aspects where there is still a calamitous and potentially dangerous situation. There are not only the half a dozen companies to which reference has been made but the other groups, about which we do not hear, which would have received support from local authorities, if moneys had not been salted off to make the restitution. Local authorities, regional arts associations and the Arts Council have found the funding, on top of the Government's initial amount, for the bodies that were put at risk, but it has meant that that amount does not go to the rest of the arts. That is an important point.

My hon. Friend the Member for Newham North-West referred to some of the minor groups about which we have not heard. We have heard about Sadler's Wells, but we have not heard about the consequences for other organisations which have been put at risk because their money was necessary to save Sadler's Wells. That is the crucial point.

The other aspect is that the Government's funding was desperately short. It was £10 million short by the Arts Council's second calculations but it was £19 million short in the total calculations because £9 million should have come from major capital projects which the Arts Council said it could not cope with. By my calculations the funding was between 14 per cent. and 16 per cent. short. That is the truth about abolition and it is no use the Government or the Minister saying anything to the contrary.

Another aspect of the debate is the economic case for the arts. I want to stress three points which I think have been minimised by Conservative Members. It is not a case of the Government somehow generously dipping into pockets and giving out — the donation concept that Conservative Members have mentioned. The hon. Member for Ealing, North complained that we are always talking about money. He asked why we could not lift our eyes to higher things than money. I have noted that it is those people who are well-heeled who are always talking about other people raising the question of money.

Mr. Greenway: I am a teacher.

Mr. Buchan: The hon. Gentleman is as well-heeled here as I am. That issue was reinforced by the Bernard Levin article, which has been referred to. Bernard Levin was talking about working men, and trade unions. He said why cannot they raise their eye from the trough

"to those areas of life which cannot be measured in terms of cash, but which constitute the reason for living? When? Not, to be sure, while the Labour Party is led by men like Michael Foot, and Neil Kinnock nor while the TUC is represented by men like Norman Willis.

He dared to talk about Michael Foot, Neil Kinnock and Norman Willis in connection with the trough. We have a poet as the General Secretary of the TUC. We should be pleased about that. The truth is that the Government have made an absolute apotheosis of the trough. They say, "Get into the trough and take the pickings," and "Get on your bike and look for jobs." They say we should invest and ban exchange controls, and let investment go where it will. The Government have made a positive idol of the trough. Working men who have to struggle should not be dealt with in this way.

I want to deal with the real economic case for the arts. I will talk about the trough because people require jobs. In the arts we have a group of people who are among the worst paid and suffer longer periods of unemployment than almost any other section and who often work in the worst conditions. In fact, the arts are not receiving donations; they pay for themselves. The National Campaign for the Arts shows that value added tax returns £140 million to the Exchequer. That is more than the amount of money coming into the arts from the Arts Council. The arts in this country are self-funding and they are magnificently more than that in relation to the amount they contribute to the general economy of the country through tourism. Were it not for tourism and North sea oil, under the Government we would now be in a terminal condition in relation to our balance of payments. That is the contribution the arts make. We should not talk about spending on the arts because it is a crucial investment for the whole economy of the country.

Mr. Simon Hughes: I wonder whether the hon. Gentleman will accept and reinforce to the Minister the point that in areas of great deprivation, such as my area in the docklands of London, instead of the money and profits going into a sector which does not benefit the local people, we could do much to promote the extension of the South Bank into the docks. There are many young people looking for training and work in the arts, and opportunities in places central to our capital city would bring tourism, revenue and artistic progress. That is what we should be promoting in the docklands, not the capital profit that is made by developers of office blocks, which will have no benefit for local communities.

Mr. Buchan: What the hon. Gentleman says about the South Bank and the docklands is true of the economy as a whole.

Let us look at the scale of the arts. About 200,000 to 250,000 people are in broadcasting. About 200,000 people are in printing, the press and publication — the written word. About 70,000 are involved in the popular music industry — in recording, as artists, producers and so on. We are dealing with a major industry. Broadcasting alone is bigger than the whole computer industry, about which we hear so much. So we are dealing not with small dollops of money to a small group of people, but with the necessity for more investment to a very large section of our community.

The arts pay. The Government's method of creating jobs is to make tax cuts. We say that there should be direct investment in jobs. One area should be the arts. Through tax cuts, it costs about £47,000 a year to take someone off the dole. It takes just over £2,000 to take someone off the dole through investment in the arts. At one thirteenth of the cost, we begin to get jobs back, so the arts pay for themselves. They are self-funding and massively productive in the economy.

I should love to have gone into the Shakespeare business, but I am afraid that I cannot because I am short of time. However, I shall deal with three specific points.

[Mr. Buchan]

The first is the Roundhouse. We should like the Minister to give us an assurance that he will come forward, if not with the £8 million that I think he should for the whole of the black community in this country, at least with the £1 million, so that a start can be made on proper production there.

Secondly, I refer to the squeeze on the universities and its effect on university museums. I have had discussions with directors of most of the university museums. I hope that shortly I shall be able to say something more publicly. But I recognise that they are public institutions as well as university institutions. The task is how to give assistance while still retaining the relationship with the university. We take the point on board.

Finally, I refer to charging. The Conservative party, which says that we should not keep talking about money, is the very party that has been squeezing our museums and galleries so that they are being forced into charging for admission. I shall refer to the irrelevance of the term "charging" in a moment. The Conservatives encourage that by saying that the museums will keep the money that they make. But it would be easier for a poor man to enter the Kingdom of Heaven than for him to squeeze his way between the cash desks at the V and A without the embarrassment of paying. There is a world of difference between erecting a sign at the exit, as is done at the Burrell, saying, "If you have enjoyed this museum would you like to contribute?", and having two girls at cash desks with a narrow space between, through which working people have to pass. We have seen from the figures that some people turn away. It has not helped attendences, and there is no excuse for it. We should be encouraging admissions.

If ever there was a sign of the bankruptcy of ideas and spirit in relation to the arts, it is the fact that one of our major institutions has had to depend on American benefactors to bail it out, to its shame, and that one of our national institutions has introduced charging, not even honestly and openly as direct charging, but as a voluntary contribution. That is all done under the benevolent gaze of this torpor of a Government.

2.18 pm

Mr. Luce: With the leave of the House, I shall seek to answer some of the many points raised in the debate in a short time. Unfortunately, that means that I have to disallow myself from referring to a complimentary reference in Shakespeare — after all, this is a debate about Shakespeare — to a wonderful character called Luce. However, I shall not take up the time of the House on that score.

I listened with care to what the hon. Member for Paisley, South (Mr. Buchan) said and to the forceful speech by the hon. Member for Stoke-on-Trent, Central (Mr. Fisher). He feels passionately and strongly, as does the hon. Member for Paisley, South, about the arts. But when he accuses me of lacking vision, that is below his normal standard. He really means that people can have vision only if the state does everything for the arts. That applies to other walks of life. Simply because I have a genuinely different approach from the hon. Gentleman —I respect his views—it is unfair to accuse me of not having vision. Yes, I have vision, but it is of a different scale and nature to that of the hon. Gentleman.

Before I reflect upon the two speeches of the hon. Member for Paisley, South, may I respond to some of the excellent remarks made by my hon. Friends and others. My hon. Friend the Member for Dulwich (Mr. Bowden) mentioned the importance of diversity in the arts. That goes to the heart of one of our great differences of opinion with Opposition Members, who constantly say that they do not oppose sponsorship, the Budget changes or museum recipts measures, yet at the same time try to disparage them. The strength of the arts depends upon diversity, not only in funding but generally, and upon not assuming that central Government should interfere in every aspect.

My hon. Friend the Member for Twickenham (Mr. Jessel) made an excellent speech and raised many issues, many of which related to his constituency. I fully endorse his comments, especially about the importance of tourism and the contribution that the arts can make to tourism.

My hon. Friend the Member for Ealing, North (Mr. Greenway) made a distinctive speech and mentioned Sadler's Wells. I repeat that I agree entirely that Sadler's Wells is a great centre of excellence. I am glad that the Arts Council has played its part in funding it for this Financial year, along with a great diversity of funding from sponsors and other sources. That has provided a solid base, and we can look to the future with confidence.

My hon. Friend the Member for Cambridge (Mr. Rhodes-James), who could not be a better Member for that great university town, does great service for that city. He spoke strongly about the university museums and highlighted the Fitzwilliam museum. I note carefully what he said, and I respect the work of the great university museums. I shall take into account his important remarks on that score.

My hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) mentioned the importance of marketing and sponsorship. I agree with him, but I pay tribute to his work in the Council of Europe in promoting many of the Government's policies and thoughts about the arts.

The hon. Member for Newham, North-West (Mr. Banks) raised many points. He especially probed again about the Roundhouse. I sought to answer his questions at Question Time the other day, but he asked me whether I would consider meeting representatives from the Roundhouse. I am prepared to do that, as long as he understands that the Arts Council will provide the money to fund the transitional period. I shall listen to their views.

The hon. Member for Heywood and Middleton (Mr. Callaghan) mentioned the policies, which have been confirmed this week, to remove some of the obstacles to museums raising extra revenue. He suggested that that is a back-door method of forcing museums to introduce charges. I must take the opportunity to refute that. The Government's policy is to leave it to the discretion of the trustees of museums — who after all know the position best and can judge whether it is right and will easily generate extra revenue, and enable them to improve their services — to introduce charges or voluntary donations. It is entirely up to the trustees and no part of my policy to try to force the issue.

The Select Committee on Education, Science and Arts recommended unanimously in 1981-82 that we should remove some of the obstacles to revenue-raising. The decision in line with that should be broadly welcomed by the museums and galleries.

Mr. Greenway: Will my right hon. Friend give way?

Mr. Luce: I have very little time and I must not give way if I am to be fair to other hon. Members.

The right hon. Member for Blaenau Gwent (Mr. Foot) made a powerful speech and focused on the Byron Society and asked me to take an interest. He gave me notice that he could not be here for the winding-up speeches, but I assure him that I shall take a close interest in the arrangements for the 1988 celebrations of the 200th anniversary of Byron's birth.

The right hon. Gentleman then led me down an avenue towards Melina Mercouri and the Elgin marbles. The Government's stance is quite clear and oft-stated. We have replied to the Greek Government. I understand that, if it is ever returned to power, the Labour party will return the Elgin marbles. Has it thought the matter through properly? The marbles are important, but they are not unique. There are other great and marvellous collections of Syrian and Egyptian material for example. Do the Opposition realise where the precedent of returning the Elgin marbles would lead? I wonder whether they have thought it all through.

The hon. Member for Portsmouth, South (Mr. Hancock), who also gave notice that he could not be here for the winding-up speeches for good reasons, confirmed for me the confusion that still exists in the so-called alliance. I was not clear whether he was for the arm's length policy or against it and I became even more confused when I listened to him.

The hon. Member for Cambridgeshire, North-East (Mr. Freud), my hon. Friend the Member for Arundel (Mr. Marshall) and others mentioned VAT. I note what they said. It is part of the wider Government policy on VAT and indirect taxation that VAT should be as broadly based as possible. Hon. Members know that the Government have introduced other tax incentives to try to help the arts.

My hon. Friend the Member for Arundel does a great deal for the west end theatres and I was glad to meet the Society of West End Theatre. I have noted the additional arguments that he made and I shall try to respond in more detail by letter.

I hope that I have now responded to all except the hon. Member for Paisley, South. His speech bore out everything that I said at the beginning. However sincere he may be, he is in the habit of being a prophet of doom. Of course there are many problems, but he will not acknowledge that there are good things in the arts world. It is far more difficult for me to give credibility to what he says and to what the hon. Member for Stoke-on-Trent, Central says if they do not pay some tribute to the good things that are happening.

The hon. Member for Paisley, South must understand that the policy that he is adopting towards the Arts Council, which has been supported by successive Governments, would undermine it and the principle of the arm's length policy. If the hon. Gentleman were Minister with responsibility for the arts, he would increasingly take decisions about the disposal of funds. That would mean more centralisation.

I must also consider the difference in approach and philosophy towards the public and private sectors. The hon. Member for Paisley, South believes that arts funding should be done by the state, whereas I believe that there should be a partnership between the state and the private sector. With the right framework, tax measures and encouragement — not just sponsorship, the Budget and the receipts policy for museums — we shall create an environment in which the private sector can play a much more positive role in increasing funding for the arts. That is what we all want, but we differ in our philosophy and approach. The hon. Gentleman believes that the state should do everything, whereas I believe that the strength of the arts is in its diversity. It has become evident during this excellent, admirable debate in which many hon. Members have participated that our approach is different in that respect, and the Government feel strongly about it.

It being half past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Film and Television Industry (Scotland)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Maude.]*

2.30 pm

Mr. Jim Craigen (Glasgow, Maryhill): As we have debated the arts all morning it seemed timely to have an Adjournment debate on the film and television industry in Scotland. In many ways television and film as media bring the possibility of museums, galleries, theatre, ballet and opera into the living room for the majority of the population. Indeed, in some respects they encourage attendance at them.

When I applied for the debate I entitled it, "Expanding the film and television industry in Scotland", but somehow the "expanding" got lost on the Order Paper. I mention that because someone asked me whether there was a film and television industry in Scotland. There is commercial ITV, BBC Scotland and the independent sector, which has been a growing segment of the industry. It is essential that in future years the reply should not be, "There was an industry, but it has gone."

Scotland has had a tradition of documentary film making since the 1930s with the work of Dr. John Grierson who subsequently left for Canada but returned to Scotland in later life. The Scottish Film Council has already celebrated more than half a century of existence. I was pleased to note that Charles Oakley, a founder of that council, was this week given an honorary doctorate. My hon. Friend the Member for Monklands, West (Mr. Clarke) worked with the council, although I doubt whether he was even a twinkle in his parents' eye when it was set up in 1934.

The film and television work in Scotland is both recognisable and capable of greater creative and technical achievement. It has talent which wants to work in Scotland and with that ability to look beyond Scotland. I understand that at present the talent in the independent sector is working at only half capacity.

The film work of Bill Forsyth readily comes to mind, and includes "Gregory's Girl", "Local Hero" and "Comfort and Joy". I must confess a special liking for "That Sinking Feeling" which also included scenes shot in the Maryhill area. Charles Gormley's film "Heavenly Pursuits" was Channel 4's main entry to this year's Cannes film festival.

The independent sector is growing, and there are possibilities for ITV production in Scotland, and for BBC Scotland, if it were given its head. This year the Scottish Trades Union Congress at Aberdeen had a motion from the Association of Cinematograph, Television and Allied Technicians introduced its general secretary Alan Sapper and seconded by the Scottish actor Phil McColl. It called for the generation of major new funding to underpin film and television development in Scotland.

I do not know whether the Minister is aware of subsequent STUC general council follow-up on the development of the industry. Ministers constantly talk about growth in the service sector. No doubt they do so in order to make up for the tremendous contraction in manufacturing capacity. At one time film production was regarded as part of the manufacturing sector, but in more recent times it has been linked with the service sector.

This branch of entertainment may not be a substantial employer although it is a significant employer as well as being a good overseas earner. If Scotland was used more often as the location for productions, it might give a significant boost to the local economies.

On 25 March 1986 the Independent Programme Producers Association in Scotland gave a presentation in the House. Robin Crichton, the chairman, and John McGrath, the vice chairman, spoke about the problems of access to broadcast television outlets in Scotland, including Channel 4 which is at present the sole domestic outlet.

I said on Second Reading of the Bill setting up Channel 4 that

> "One of the strengths of ITV 1 was that it has been able to take account of regional distinctiveness . . . in various parts of the United Kingdom." — [*Official Report,* 18 February 1980; Vol. 979, c. 118-119.]

I was keen that Channel 4 should not be seen as some monolithic enterprise and that it should encourage existing Scottish commercial companies, such as STV, Grampian or Border, which has one leg in Scotland and the other in the north of England, to make a bigger contribution to the ITV network, including Channel 4. Although Channel 4 has opened up possibilities, because well over 10 per cent. of its audience is in Scotland, independent producers complain that they had only 12 hours, or 1·5 per cent., of Channel 4's total production time last year. They contrast their case with what goes on in Wales. There is a marked difference, although the existence of the Welsh channel makes the comparison less straightforward than it might seem.

When the chief executive of Channel 4 opened Picardy Pictures, an independent broadcast facility based in Edinburgh, at the beginning of the year, he said that some £50 million had been commissioned in the independent sector last year. He was quoted in *The Scotsman* of 31 January 1986 as saying that

> "We would like to spend a proper proportion of that amount in Scotland."

He made the point that he commissioned solely on merit. I concur with doing that. However, we must try to remove some of the obstacles that prevent a better and fairer spread of productions throughout the United Kingdom.

The film-making industry is largely based in and around London. However, Scotland has the largest number of independent producers working outside the metropolis. Indeed, there is a need to develop post-production facilities so that there is less reliance on London. There is also a considerable video market potential. Many firms are concerned to brush up their corporate images and to promote their public relations. It would be interesting to know whether the Scottish Office, and even the Scottish Development Agency and some of the other public bodies in Scotland are still having to send much of their promotional and advertising work to London. Even lawyers' work—and I know that this will please the Minister—could be done in Scotland, and contracts could be drawn up in Scots law, although I accept that there may be a shortage of media law specialists.

I mentioned scope for ITV and BBC. Indeed, STV put up half of the finance for "Gregory's Girl". The series "Held in Trust" must surely have given Scottish tourism a boost. Grampian with its series on oil, commissioned for Channel 4 and co-produced with Norwegian television, provides another example of what can be done in Scotland. It was something of an indictment that it took

Harlech television and a German co-production team to screen Robert Louis Stevenson's "Kidnapped", with a German actor in such a self-evident Scottish story.

Currently, we are awaiting the Peacock report. It would be disastrous if the BBC was in any way reliant on advertising. We heard about some of the problems of sponsorship of the arts during the previous debate, and it would be damaging if the unique reputation of public service broadcasting were to be eroded. It would also not be good for the commercial sector.

Since the lobby in March, meetings have been held with ITV and IPPA, which have resulted in the setting-up of a working party under the aegis of the SDA to examine ways in which broadcast productions might be rationalised and integrated to a greater extent. It is examining the possibility of establishing a Scottish screen commission that could act as a distributor marketing overseas Scottish facilities, technicians and locations to attract inward investment. It could also operate as a production fund to top up investment in Scottish production to enable producers to retain their distribution rights and maximise potential overseas sales.

The various sectors of the industry in Scotland would, of course, retain their independence and individuality. A Scottish screen commission would give sufficient strength and stature to maximise the opportunities offered by the new international markets that are emerging and are likely to emerge in the 1990s.

The attraction of such a commission, if it can be proved economically feasible, is that it will bring together the various sides of the industry and the financiers, so that they can move towards a better base to exploit the opportunities offered by expanding markets and technologies, as well as marketing Scotland internationally. I understand that the working party includes Alistair Hetherington as chairman, Bill Brown of STV, Justin Dukes of Channel 4, Alex Mair of Grampian, and may be joined by Jim Graham of Border. The SDA will provide the business development role.

Robert Crichton, the chairman of IPPA in Scotland, has been in touch with the Secretary of State. I have a copy of a letter from the right hon. Gentleman's Private Secretary to Mr. Crichton, stating:

"Mr. Rifkind has read the paper with much interest and is sure that it will prove a useful basis for discussions with the Scottish Film Council and the Scottish Development Agency."

That typifies the right hon. Gentleman's skills of advocacy. I hope that today the Minister will assure us that there is positive Government backing for the initiative.

The role of the Scottish Film Council is very important. Recently I talked to its assistant director, John Brown, about the work of the Scottish Training Trust — something that has been praised in a number of quarters —and the Scottish Film Production Board, which is a useful form of funding. However, it deals with limited finance even though the Fund is now supported by the Scottish Arts Council and Channel 4.

The Minister may be aware that cinema attendances in Scotland are proportionately higher than for the United Kingdom as a whole. No doubt he will wish to comment on educational broadcasting, in which the council plays its role, and where there have been a number of significant improvements.

When referring to a Scottish screen commission, I do not mean Holywood spectaculars that can fall flat on their faces. Indeed, Charlotte square — the home of many finance companies and merchant banks in Edinburgh— contributes quite a lot through investment packages towards the success of both British and American films.

It would be useful to achieve greater interest and support for low budget and thus low risk film production in Scotland. I do not know whether the Minister saw any of the series of Australian films shown on television here. but that comparatively new film industry received a considerable boost when the former Australian Prime Minister on a visit to the United States saw that an Australian film had actually made *Time* magazine. Mrs. Thatcher is a liberal by comparison with that former Australian Prime Minister, but when he went back he ensured that his country's industry received a boost.

I am disappointed in a sense that the Minister with responsibility for industry and education in Scotland cannot be here as I gather that he has had informal talks on the subject, but the Minister with responsibility for local government and environment is the duty Minister today and will doubtless pass on all that has been said — I thought at first that it was because he missed my keeping him on his toes when I was Opposition spokesman on Scottish affairs and felt the need to come back for more.

I hope that in reading his Scottish Office brief today he will give political support to the concept of a Scottish screen commission which is so necessary and let the forces of autosuggestion get to work at the Scottish Office. I do not mind if the Secretary of State comes along in three months or six months with this brilliant idea and says that he is all for it because I believe that it will be very good for the industry.

The Government White Paper on film policy, Cmnd. 9319 published in July 1984, stated:

"A film industry can be a matter of great national pride. And through its ability to project the national culture . . . it can thus enhance a country's international standing."

Encouraging and facilitating the film and television industry in Scotland could produce considerable spin-off opportunities for the economy, opening up new opportunities in other spheres.

The Minister should be aware of some of the fresh inspiration that came into the industry in Scotland following the conference on Cinema in a small country held in Edinburgh more than a decade ago. We now need the political imagination to encourage and facilitate that which already exists and go on to achieve much more in this area of entertainment, employment, culture and education. As I said at the beginning, the industry's output is an immense part of our culture and education and has a broad appeal which I hope the Government will encourage.

2.48 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): I begin by congratulating the hon. Member for Glasgow, Maryhill (Mr. Craigen) on raising this important issue today. I listened carefully to his speech, especially the part in which he became an adherent of the principle of auto-suggestion, a subject about which we shall no doubt hear more from him in the future.

It is timely to debate the film and television industry in Scotland, when so many exciting developments have taken

[Mr. Michael Ancram]

place or are in prospect. Before dealing with the specific issues raised by the hon. Gentleman, I should place on record the Government's continuing support for the development and growth of a healthy and viable commercial film sector in Scotland and the continued development of broadcasting provision geared to the needs of the community.

Perhaps one of the most striking examples of the growth in confidence and enterprise in Scotland in recent years has been the emergence of a dynamic film industry with a distinctive style and the capacity to achieve box-office success. Not so long ago mention of Scottish films would have conjured up images of "Brigadoon" or "Whisky Galore", or of tartan westerns featuring Rob Roy and Bonnie Prince Charlie. Then, as the hon. Gentleman said, Bill Forsyth came along and demonstrated that good movies can be made by Scots, about Scots, in Scotland. The triumphs of "Gregory's Girl" and "Local Hero" have been followed by a series of low budget productions which show that Scottish film-makers are a force with which to be reckoned. Among the more notable recent successes are "Living Apart Together", "Restless Natives" and "The Girl in the Picture". They are only the tip of an expanding iceberg.

The Government's view is that the prospects for the industry will ultimately depend upon the efforts of all those who work in it and on the industry's ability to produce good quality films that people want to see.

One of the primary objectives of the Films Act was to rid the industry, and cinemas in particular, of unnecessary Government burdens and to help lay the foundations for the development of an industry which is free to make decisions on the basis of its own commericial interests. So, in May 1985 the Eady levy on cinemas was abolished and the legislative basis for domestic film quota was removed, along with the requirement for cinemas to be licensed.

The abolition of the Eady levy led the Government to re-assess the valuable investment role played by the National Film Finance Corporation in encouraging newly merging British talent. That role has been taken over and enhanced by the new private sector body, British Screen Finance Ltd. to which the Government are to contribute £2 million a year for the next five years. BSF began its operations in January this year and has already committed funds to a number of projects.

The Government's financial support for the industry is not limited to their contribution to BSF. Substantial sums are made available to the British Film Institute, to the Scottish Film Council and to the National Film and Television school. In addition, the Government contributed £325,000 to British film year, the success of which was, by all accounts, most encouraging.

Following a seemingly inexorable decline, cinema admissions have shown a marked increase, accompanied by a substantial refurbishment and new development in the exhibition sector. We hope that an industry, now freed from anachronstic Government burdens will be able to build upon these foundations.

The Scottish Film industry has felt the need, since the late 1970s, for the creation of an investment fund to provide Scottish film makers with the opportunity to raise a substantial proportion of feature film production costs north of the border. The hon. Gentleman mentioned that in particular.

While the Scottish film production fund has been able to make a small contribution in this area, a much larger fund, backed by the commercial sector, would be required to meet the aspirations of would-be Scottish film producers. An initiative has recently been taken by IPPA, as the hon. Member said, which is proposing the establishment of a Scottish screen commission to fill that funding gap. The IPPA has entered into a dialogue with the Scottish Development Agency and the Scottish Film Council about this proposal and on the promotion of Scotland generally as a film centre.

The hon. Gentleman asked for the Government's reaction. I welcome the initiative by IPPA, which is designed to stimulate the growth and development of the Scottish film industry in general.

I hope that the discussions that have begun with the Scottish Development Agency and the Scottish Film Council, the broadcasting companies and other interested bodies will bear fruit. I am sure that the proposal will be supported by film-makers in Scotland, and that they will take advantage of the new opportunities which I hope will flow from the establishment of a commission or similar body that might emerge from the consultation.

Scottish education department officials have already participated in discussions involving IPPA, the SDA and the SFC and will, of course, be keeping in close touch with the progress of the proposal. I am sure that the agency and the film council will offer whatever assistance and expertise that they can in taking the proposal forward.

The hon. Gentleman drew attention to the concern expressed by Scottish members of the Independent Programme Producers Association that the amount of independently produced broadcast material utilised by the ITV companies is relatively low. In particular, the IPPA is concerned about the low level of broadcast material currently being commissioned from Scottish sources by Channel 4, and it is seeking increased access for its programmes on public television. I understand that the IPPA has received some support from Scottish Television, with both organisations stressing that sufficient work should come to Scotland to stimulate creative talent and innovation.

I believe that in Scotland, with a population of just over 5 million, we are well provided with three and a half television companies serving our needs—BBC Scotland, STV, Grampian and a bit of Border—all of which produce high quality broadcast material. In addition, the independent programme and film producers make a valuable contribution to the excellent Scottish Television spectrum. I would welcome any increase in Scottish produced broadcast material, either by the larger television companies or by the independent programme or film producers. I would not think it proper—I rather gather that from the hon. Gentleman that he would not either—to try to coerce national television companies to accept a higher proportion of Scottish produced material by setting quotas of commissioned material based either on funding contributions to organisations such as Channel 4 or on the percentage of audience in a particular area.

Indeed, the Government have no locus to arbitrate in such matters, which have properly been delegated to the responsible broadcasting authorities. In fact, a certain element of regulation already exists to ensure that a proper proportion—at least 86 per cent. of material shown on ITV and Channel 4—is of British origin. I think that it would be quite wrong to introduce further regulation to

provide an artificial market for Scottish film and programme makers. I believe that, as commercial companies, IPPA's Scottish members and the Scottish television companies should be prepared to take their position in the United Kingdom market place. Their success in attracting funds from Channel 4, STV and other sources must depend on their ability to deliver the sort of product that the television companies and the public want.

I take the hon. Gentleman's point that until recently the major inhibition on independent film and television production in Scotland has been the lack of adequate facilities. The problems have been especially acute for those television and film productions which depend on the use of studios. This is an area where the Government have been able to offer direct help.

The Government's review of the regional incentive package of assistance available to industry in the United Kingdom identified clearly the role that the service sector now occupies within the United Kingdom economy. In November 1984, when we introduced changes in the incentive package, we sought to encourage service industry growth by widening the scope of the new regional development grant scheme. Consequently, the companies in Scotland in the film and television industry that are situated in the development areas can now benefit from the help of regional development grants that are aimed at encouraging job-creating investment. Moreover, the industry can also benefit from regional selective assistance, which, as before, remains open to both the manufacturing and service sectors of industry. Already the industry is becoming alive to this extra help that is available to it, and in the past 18 months my Department has offered nearly £1·5 million to the industry within Scotland. A further £150,000 has been provided recently through the SDA, which is considering a further major loan amounting to £1·7 million. The assistance is there to overcome that particular hurdle.

One of the most important ways in which the Government have supported the growth of the Scottish film industry in recent years has been through the Scottish film production fund. The resources at the disposal of the fund are modest and they are about £150,000 in the current year. Nevertheless, the fund has consistently shown how much can be achieved by the injection of quite small sums at critical periods in the development of a production. In the fund's first four years of operation a total of 64 projects have been assisted in this way. The list of its successes is impressive, ranging from Channel 4 documentaries such as "The Work They Say is Mine"—the role of women in Shetland communities—to full-length feature films such as "Girl in the Picture" and "Restless Natives". It is interesting and encouraging to note that a high proportion of projects started by the fund involve women film-makers. I am sure that the hon. Gentleman will welcome that.

It is not possible in a short debate of this sort to respond in detail to all the issues raised by the hon. Gentleman. I hope, however, that he will recognise from what I have said that the Government attach considerable importance to the development and maintenace of a thriving film and television industry in Scotland. There are healthy signs in the continuing dialogue involving the main interest groups. I hope that all those involved will capitalise on what has already been achieved and co-operate to ensure the future of the industry. The Government will continue to play their part——

The Question having been proposed at half-past Two o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at Three o'clock.

Written Answers to Questions

Monday 9 June 1986

HOME DEPARTMENT

News International, Wapping

Mr. Leighton asked the Secretary of State for the Home Department where Assistant Commissioner Wynn Jones was stationed on the night of 3 May at Wapping at 10 pm, 10.30 pm, 11 pm, 11.30 pm, midnight and 12.30 am; what are Assistant Commissioner Jones' salary and allowances; who was in command of the mounted police that night; which officers were in charge of the riot police that night; and which officer gave the instruction that the crowd was not allowed over a period of hours to leave Wellclose Street and Wellclose Square that night.

Mr. Giles Shaw: I understand that Deputy Assistant Commissioner Jones was present in the control room at Leman street police station throughout the evening of 3 May and until after 2 am on 4 May.

Chief Superintendent Goodall was the officer in overall command of mounted police and officers deployed in protective uniform that evening. The commissioner assures me that no instructions were given to prevent demonstrators leaving Wellclose street and Wellclose square. The annual salary of a Deputy Assistant Commissioner is £32,352, inclusive of London weighting and London allowance.

Truncheons (Use)

Mr. Leighton asked the Secretary of State for the Home Department in what circumstances police are allowed to use truncheons; and which parts of the body they are allowed to hit with truncheons.

Mr. Giles Shaw: A police officer may use reasonable force to defend himself from attack and to exercise a lawful power. Decisions on the use of force including the use of truncheons, are operational matters for decision according to the circumstances which the officers face. Chief officers have issued guidance that truncheons should be used to the minimum extent necessary in the circumstances and should not be aimed at the head.

Prison Workshops

Mr. Lawrence asked the Secretary of State for the Home Department what is his policy towards prison workshops; and if he will make a statement.

Mr. David Mellor: I would refer my hon. and learned Friend to the reply given to a Question by my hon. Friend the Member for Bournemouth, East (Mr. David Atkinson) on 25 March at columns 408-9.

Prison Department (Industrial Officers)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what categories of job are performed by the 3,000 industrial officers working in the prison department.

Mr. Mellor: The job categories of industrial staff now employed in the prison department are—drivers, works craftsmen (painters, carpenters, etc.), labourers, stokers, plant attendants, caretakers, cleaners, caterers, farm foremen, agricultural craftsmen, mechanics, fitters, storekeepers, packers, stores inspectors, and car park attendants.

Durham Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department of the prisoners currently in H wing in Durham prison, what is the length of stay of the prisoner who has been there the longest.

Mr. Mellor: Eleven and a half years.

Coventry (Ministerial Visit)

Mr. Nellist asked the Secretary of State for the Home Department if he will make a statement on his recent visit to Coventry.

Mr. Hurd: On 30 May I visited the West Midlands fire brigade, including its training centre at Coventry. This and other aspects of my visit gave me a valuable insight into its work.

Riots (Compensation)

Mr. Parry asked the Secretary of State for the Home Department (1) how many claims were made against the Merseyside police for compensation following the Toxteth riots in 1981; how many were settled; and how many are still pending;

(2) how many claims for compensation are still outstanding arising from the riots in 1981 in Toxteth, Brixton, Moss Side and Bristol at the latest date.

Mr. Giles Shaw: I assume that the hon. Member has in mind claims for compensation under the Riot (Damages) Act 1886. Responsibility for receiving and considering claims under the Act rests with the local compensation authority. The Home Office is not involved and no central record of claims is kept. I understand from the Receiver, who is the compensation authority for the Metropolitan police district, that eight claims under the 1886 Act arising from the Brixton disturbances in 1981 have not been finally settled.

Mr. Parry asked the Secretary of State for the Home Department how many persons were injured by the use of CS canisters during the Toxteth riots in 1981; and how many persons then made claims for damages.

Mr. Giles Shaw: I understand from the chief constable of Merseyside that five people were injured as a result of the police use of 'Ferret' CS cartridges during the disturbances in Toxteth on 6 July 1981. Four of these people have made claims for damages against the chief constable.

Prisoners (Visitors' Costs)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department what was the cost to his Department over the last full year for which figures are available for paying travel and hotel bills for the wives and families of inmates in Her Majesty's prisons to visit; what are the comparable figures for the previous 10 years; and if he will make a statement.

Mr. Mellor: The provisional figure for payments made under the assisted visits scheme for the year 1985-86 is £818,283. This includes £40,139 expenditure incurred by the Department of Health and Social Security during 1984-85, but not reimbursed by the Home Office until 1985-86. For expenditure in earlier years, I would refer the hon. Member to the reply given to a Question by the hon. Member for Southwark and Bermondsey (Mr. Hughes) on 24 March at columns 338 and 339.

Mr. Peter Bruinvels asked the Secretary of State for the Home Department what is his policy as concerns the allocation of rail travel warrants for the wives or husbands and families of inmates in Her Majesty's prisons; in what circumstances first class travel is allowed; and if he will make a statement.

Mr. Mellor: The Department of Health and Social Security administers the assisted visits scheme on behalf of the Home Office. I understand from that Department that where a visitor who is eligible for assistance under the scheme travels by rail the fare is usually paid by means of a rail travel warrant, validated for second class travel only. I understand that it is not practice to allow first class travel.

Parking Fines

Mr. Tony Banks asked the Secretary of State for the Home Department pursuant to his reply of 3 June, *Official Report*, column 449, if he will give details of the three payments from departmental funds in the past 12 months made in respect of fixed penalties imposed for parking fines.

Mr. Hurd: Two of the three payments arose in respect of fixed penalty notices incurred by Home Office official cars parked in controlled zones in the course of official business, in one instance while the driver escorted visitors to a meeting in a Home Office building, and in the other, while awaiting the departure of a senior Home Office official from a meeting. The third instance involved the private car of a departmental board member who parked in a controlled zone while attending a meeting in a Home Office building, having been unable readily to gain access to an official car park. In all three cases, there were extenuating circumstances which were considered, exceptionally, to justify meeting the cost from public funds. The total cost involved was £30.

The Media (War Time Role)

Mr. Tony Banks asked the Secretary of State for the Home Department, pursuant to the reply of 3 June, in what form he expects the House to be asked to consider proposals from Her Majesty's Government on the role of the media in time of war.

Mr. Giles Shaw: My right hon. Friend the Secretary of State for Defence published proposals on the role of the media in war in Cmnd. 9499, presented to Parliament on 24 April 1985.

Dover Castle

Mr. Tony Banks asked the Secretary of State for the Home Department if he will give details of the reasons why it was necessary to erect a communications mast in the grounds of Dover castle; and if he will make a statement.

Mr. Giles Shaw: I would refer my hon. Friend to the reply given to his question on 25 February at column 486. The mast was provided for the former communications centre.

Prison Service (Garages)

Mr. Spencer asked the Secretary of State for the Home Department how many garages belonging to Her Majesty's prison service have been sold to members of the public in each year since 1979; and how many of these were sold in Leicester.

Mr. Mellor: Detailed information on the number of garages sold could be obtained only at disproportionate cost. None has been sold in Leicester.

Peace Convoy

Mr. Malins asked the Secretary of State for the Home Department if he will call for reports from the chief constables concerned about the number of people connected with the peace convoy who have been arrested under section 25(1) of the Police and Criminal Evidence Act 1984.

Mr. Giles Shaw: The chief constables of Avon and Somerset, Dorset, Hampshire and Wiltshire have informed me that of those people connected with the peace convoy who were arrested from 17 May to 5 June, 26 were arrested under section 25(1) of the Police and Criminal Evidence Act 1984.

Population-Police Ratio

Mr. Hancock asked the Secretary of State for the Home Department what is the ratio of population in Portsmouth and Hampshire to the number of police; how this compares with the rest of England; and if he will make a statement.

Mr. Giles Shaw: I understand from the chief constable of Hampshire that the population per police officer in these areas is as follows:

	Ratio
Portsmouth (comprising Portsmouth Central, Cosham, Fratton and Southsea sub-divisions)	1:495
Hampshire	1:536

For information about ratios in the rest of England, I would refer the hon. Member to the reply given to my hon. Friend the Member for Swindon (Mr. Coombs) on 27 February 1986 at columns 655-58, which set out the ratio of population to police officer for each police force in England and Wales on 31 December 1985.

Police Recruitment

Mr. Hancock asked the Secretary of State for the Home Department how many police officers were recruited by the Hampshire, West Sussex, Dorset, Surrey and Berkshire county police forces, respectively, in the years 1975 to 1980 and 1980 to 1985; and if he will make a statement.

Mr. Giles Shaw: The information is as follows:

Hampshire Constabularly

Year	Number of Police Officers Recruited	Strength on 31 December
1975	229	2,778
1976	186	2,789
1977	213	2,773
1978	271	2,887
1979	239	2,945
1980	224	3,058
Total	1,362	
1980	224	3,058
1981	91	3,048
1982	137	3,080
1983	101	3,073
1984	82	3,051
1985	113	3,068
Total	748	

Sussex Police

Year	Number of Police Officers Recruited	Strength on 31 December
1975	306	2,781
1976	175	2,734
1977	156	2,646
1978	187	2,682
1979	233	2,777
1980	160	2,823
Total	1,217	
1980	160	2,823
1981	133	2,824
1982	99	2,826
1983	99	2,807
1984	141	2,809
1985	127	2,790
Total	759	

Dorset Police

Year	Number of Police Officers Recruited	Strength on 31 December
1975	112	1,080
1976	101	1,085
1977	102	1,088
1978	80	1,103
1979	124	1,159
1980	41	1,167
Total	560	
1980	41	1,167
1981	36	1,162
1982	60	1,184
1983	43	1,171
1984	66	1,181
1985	72	1,202
Total	318	

Surrey Constabulary

Year	Number of Police Officers Recruited	Strength on 31 December
1975	183	1,366
1976	181	1,454
1977	122	1,463
1978	124	1,424
1979	169	1,460
1980	230	1,589
Total	1,009	
1980	230	1,589
1981	82	1,593
1982	98	1,602
1983	57	1,574
1984	107	1,603
1985	84	1,627
Total	658	

Thames Valley Police

Year	Number of Police Officers Recruited	Strength on 31 December
1975	336	2,894
1976	205	2,856
1977	185	2,686
1978	162	2,615
1979	322	2,764
1980	434	3,043
Total	1,644	
1980	434	3,043
1981	190	3,091
1982	178	3,109
1983	185	3,152
1984	238	3,275
1985	192	3,283
Total	1,417	

Weapon Offences

Mr. Hancock asked the Secretary of State for the Home Department how many offences were recorded for each year since 1979 involving *(a)* any firearm, *(b)* crossbows and *(c)* air rifles.

Mr. Mellor: The available information relates to notifiable offences recorded by the police in which firearms were reported to have been used and is published annually in chapter 3 of "Criminal Statistics, England and Wales"—table 3·2 of the issue for 1984, Cmnd 9621. In 1984 there were 8,376 such offences and in 5,540 cases an air weapon was reported to have been involved. Information is not collected separately on air rifles which are included amongst all air-weapons. Information on the use of crossbows in crime is not recorded centrally.

Refugees (Hong Kong)

Mr. Best asked the Secretary of State for the Home Department what representations he has received from the United Nations High Commissioner for Refugees on his admission policy for refugees from Hong Kong; and if he will make a statement.

Mr. Waddington: [*pursuant to his reply*, 23 May 1986, c. *337*]: None since October 1985 when the High Commissioner, addressing his Executive Committee, warmly welcomed the Government's response to the report of the Home Affairs Committee on Refugees and Asylum with Special Reference to the Vietnamese. He

described the measures we have taken to admit further Vietnamese by relaxing the family reunion criteria as "an important new effort to help relieve the burden of Hong Kong".

HOUSE OF COMMONS

Car Parking (Norman Shaw Building)

27. **Mr. Heathcoat-Amory** asked the Lord Privy Seal if he will take steps to ensure that car parking spaces at the Norman Shaw building designated for right hon. and hon. Members are not used by others.

Mr. Biffen: The security staff do their best to ensure that the 14 car parking spaces at the Norman Shaw building are used by Members, or by any Palace of Westminster photographic pass holders acting on their behalf who must be in possession of the appropriate Member's car parking permit.

House Catering Facilities (Summer)

28. **Mr. Speller** asked the Lord Privy Seal if he will take steps to make available a catering service to the members of the public visiting the House during the months of the summer adjournment; and if he will make a statement.

Sir Fergus Montgomery: I have been asked to reply.

The Catering Sub-Committee has no proposals to change present arrangements.

Palace of Westminster (Employment of Foreign Nationals)

Mr. McQuarrie asked the Lord Privy Seal if vetting is carried out for persons of foreign nationality who seek to obtain employment, paid or unpaid, as secretaries or research assistants to hon. Members in the Palace of Westminster; and if he will make a statement.

Mr. Biffen: It is not the practice to give detailed information about security matters.

Members' Research Assistants

Mr. McQuarrie asked the Lord Privy Seal how many approved research assistants are employed by hon. Members; how many are British; how many are foreigners; and how many receive payment from the Fees Office from hon. Members' secretarial allowances.

Mr. Biffen: A total of 518 research assistants currently hold either temporary or full Palace of Westminster photo-identity passes. Of these, 408 are British nationals and 110 are foreigners. Eighty-one receive payment through the Fees Office from Members' allowances.

Mr. McQuarrie asked the Lord Privy Seal how many hon. Members have more than two research assistants; and if he will list these Members in the *Official Report*, indicating the number of such assistants who are paid from the official sources on the instructions of hon. Members relating to the secretarial allowance.

Mr. Biffen: I shall reply as soon as possible.

Palace of Westminster (Passes)

Mr. McQuarrie asked the Lord Privy Seal how many persons have been granted short-term passes for entry into the Palace of Westminster as secretaries or research assistants in the last year for which figures are available; and how many of these are of foreign nationality.

Mr. Biffen: A total of 943 temporary Palace of Westminster photo-identity passes have been issued for Members' secretaries or research assistants since September 1985, the earliest date that records are available. Of these, 473 have been issued to foreign nationals.

Mr. McQuarrie asked the Lord Privy Seal how many persons of United States nationality are holders of permanent or temporary passes as research assistants to hon. Members in the Palace of Westminster; how many are unpaid; and what information he has as to means of recruitment.

Mr. Biffen: Eighty-nine persons of United States nationality currently hold temporary or full Palace of Westminster photo-identity passes. None of these receives payment through the Fees Office from Members' allowances; Members have individual responsibility for the recruitment and conditions of service of their staff, and no other records are kept on how or if they are paid.

Northern Ireland Assembly Publications

Mrs. Ann Winterton asked the Lord Privy Seal why there is a delay in Northern Ireland Assembly publications being available in the Vote Office; what steps are being taken to alleviate the problem; and if he will make a statement.

Mr. Biffen: There is no delay in the delivery of the *Official Report* of the Northern Ireland Assembly, which is the only Assembly publication regularly made available in the Vote Office.

Norman Shaw North Issue Office

Mrs. Ann Winterton asked the Lord Privy Seal when he expects the Services Committee to report on the opening hours of the Norman Shaw North issue office; and if he will make a statement.

Mr. Biffen: This matter has been referred in the first instance to the Library Sub-Committee; and I understand that the Sub-Committee will be considering it in the next few weeks. Its conclusions will be placed before the full Services Committee as soon as possible thereafter. Any proposals entailing increased expenditure on the House of Commons (Administration) Vote would also require the approval of the House of Commons Commission.

Members and Staff (Stationery)

Mr. Hancock asked the Lord Privy Seal if he will consider introducing 100 per cent. recycled stationery paper and envelopes for the use of hon. Members and staff; and if he will make a statement.

Mr. Biffen: The Services Committee decided in February 1982 that available papers, containing recycled waste, were not acceptable for Members' stationery. Since then HMSO has reveiwed regularly the available paper containing waste, but has not yet discovered any of a quality superior to that previously rejected by the Committee.

Palace of Westminster (Photocopiers)

Mr. McQuarrie asked the Lord Privy Seal how many photocopiers are in use in the Palace of Westminster; what was the maintenance costs for these machines in each of the years 1980 to 1985; and what is the latest estimate for 1986.

Mr. Biffen: There are 74 photocopying machines in use in the House of Commons and parliamentary outbuildings. Hire charges, which include engineering maintenance and consumables other than paper, for the years in question are as follows:

	£
1980-81	126,000
1981-82	132,000
1982-83	128,000
1983-84	157,000
1984-85	197,000
1985-86	224,000
*1986-87	233,000

* Estimated

Mr. McQuarrie asked the Lord Privy Seal how much money was received from right hon. and hon. Members who photocopied documents in excess of the permitted number on the photocopiers provided in the Palace of Westminster in each of the years 1980 to 1985; and what is the latest figure for 1986.

Mr. Biffen: The total sums received by the Fees Office in respect of photocopied documents in excess of the permitted number on photocopying machines provided in the Palace of Westminster and parliamentary outbuildings for the years in question are as follows:

Financial year	£
1980-81	163·48
1981-82	301·56
1982-83	163·40
1983-84	243·98
1984-85	22·56
1985-86	46·90
*1986-87	31·50

* To date.

Mr. McQuarrie asked the Lord Privy Seal if he will take steps to monitor the use of House of Commons notepaper by foreign research assistants using the official photocopiers in the Palace of Westminster.

Mr. Biffen: No, but the authorities of the House will continue to investigate any allegations of improper use of either the photocopying machines or House of Commons stationery, which are drawn to their attention.

Mr. McQuarrie asked the Lord Privy Seal what was the cost of providing copying paper for the photocopying machines in the Palace of Westminster in each of the years 1980 to 1985; and what is the latest estimate for 1986.

Mr. Biffen: I shall reply as soon as possible.

EDUCATION AND SCIENCE

University Funding

Mr. Dewar asked the Secretary of State for Education and Science what information he has on the recurrent grant for *(a)* each of the eight Scottish universities and *(b)* all eight universities in each of the last five years (i) in cash terms and (ii) in constant terms; and if he will express these sums as a percentage of the recurrent grant paid to all universities in Great Britain in each of these years.

Mr. Walden: The information is as follows:

Academic year	*1981-82*		*1982-83*		*1983-84*		*1984-85*		*1985-86*	
	£ million	*per cent.*	*£ million*	*per cent.*	*£ million*	*per cent.*	*£ million*	*per cent.*	*£ million*	*per cent.*
					UGC recurrent grant (cash)					
Aberdeen	21·14	2·1	23·23	2·0	23·45	2·0	23·82	1·9	25·63	2·0
Dundee	14·74	1·5	15·55	1·3	16·76	1·4	15·74	1·3	17·26	1·4
Edinburgh	41·07	4·1	45·92	4·0	44·61	3·8	48·41	3·9	51·96	4·1
Glasgow	36·58	3·6	43·19	3·7	45·24	3·8	45·84	3·7	48·85	3·8
Heriot-Watt	9·80	1·0	11·04	1·0	11·04	0·9	11·73	1·0	12·82	1·0
St. Andrews	10·16	1·0	12·11	1·0	12·06	1·0	12·46	1·0	13·84	1·1
Stirling	7·70	0·8	9·16	0·8	8·93	0·8	9·09	0·7	10·43	0·8
Strathclyde	19·98	2·0	23·48	2·0	24·34	2·1	24·68	2·0	27·36	2·2
Total Scotland	161·17	16·0	183·58	15·8	186·43	15·7	191·77	15·6	208·17	16·4
Total Great Britain	1,008·34	100	1,158·89	100	1,184·80	100	1,225·75	100	1,270·64	100
					UGC recurrent grant (constant 1984-85 prices)					
Aberdeen	24·52	2·1	25·33	2·0	24·50	2·0	23·82	1·9	24·36	2·0
Dundee	17·10	1·5	16·96	1·3	17·51	1·4	15·74	1·3	16·41	1·4
Edinburgh	47·65	4·1	50·08	4·0	46·61	3·8	48·41	3·9	49·39	4·1
Glasgow	42·44	3·6	47·10	3·7	47·27	3·8	45·84	3·7	46·44	3·8
Heriot-Watt	11·37	1·0	12·04	1·0	11·54	0·9	11·73	1·0	12·19	1·0
St. Andrews	11·79	1·0	13·21	1·0	12·60	1·0	12·46	1·0	13·16	1·1
Stirling	8·93	0·8	9·99	0·8	9·33	0·8	9·09	0·7	9·91	0·8
Strathclyde	23·18	2·0	25·61	2·0	25·43	2·1	24·68	2·0	26·01	2·2
Total Scotland	186·97	16·0	200·20	15·8	194·81	15·7	191·77	15·6	197·88	16·4
Total Great Britain	1,169·77	100	1,263·78	100	1,238·03	100	1,225·75	100	1,207·83	100

The figures are not comparable from year to year because of various changes in funding arrangements; most notably adjustments made to reflect changes in the level of the home undergraduate tuition fee, provision for redundancy and restructuring costs and for new initiatives such as the information technology and new blood programmes.

Postgraduate Studentships (EEC Nationals)

Mr. Freeson asked the Secretary of State for Education and Science what regulations govern EEC nationals who wish to apply for postgraduate studentships in the United Kingdom.

Mr. Walden: Postgraduate awards made by my Department or by the British Academy are governed by the State Award Regulations 1978 (as amended). Awards made by the five research councils or by local education authorities are governed by the Education (Fees and Awards) Regulations 1983 (as amended).

Mr. Freeson asked the Secretary of State for Education and Science what difference there is between the treatment of EEC nationals living in the United Kingdom and British subjects so far as the award of postgraduate studentships is concerned.

Mr. Walden: None.

Remuneration of Teachers Act

Mr. Heddle asked the Secretary of State for Education and Science if he has received any recent representations seeking the amendment or repeal of the Remuneration of Teachers Act; and if he will make a statement.

Mr. Chris Patten: The most recent representation received on this subject was from the local authority associations in a letter dated 3 February 1986, which argued for the repeal of the RTA to allow the creation of new negotiating machinery linking teachers' pay with other conditions of service. The issue is currently under consideration in the talks at ACAS between management and unions.

Data Protection

Mr. Cohen asked the Secretary of State for Education and Science how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Chris Patten: My Department has made applications to the Data Protection Registrar covering a total of 20 separate database operations. These have been grouped as eight part A applications with a total registration fee of £176. Four members of staff are currently involved to a significant extent with implementation of the legislation: the proportion of their time involved represents about the equivalent of one half of one full-time staff member.

In a full year the cost to the Department will be approximately £10,000 (including the registration fee). This sum represents mainly the annual basic costs of the staff mentioned; further costs cannot be assessed at present with any accuracy but are likely to be minimal in that the Department's data handling procedures are already broadly in line with the data protection principles.

Medical Research Council

Mr. Parry asked the Secretary of State for Education and Science if he will publish the cost of the Medical Research Council in each of the past four years.

Mr. Walden: The Medical Research Council receives the greater part of its income as an annual grant-in-aid from the Department's science budget. The amounts of that grant-in-aid in each of the past four years are as follows:

Financial Year	*£ million Cash Terms*
1983-84	113·7
1984-85	117·2
1985-86	*122·3
1986-87	*128·3

* Estimated.

In addition, the MRC has a small amount of income for research commissioned by other Government Departments, international organisations and industry. Such income is approximately 5 per cent. of the grant-in-aid.

Science Budget

Mr. Key asked the Secretary of State for Education and Science, pursuant to his answer to the hon. Member for Salisbury of 11 April, *Official Report*, column *201*, when he now expects to publish Her Majesty's Government's response to the July 1985 report of the Education, Science and Arts Committee on the future of the science budget.

Mr. Walden: My right hon. Friend hopes to respond to the report before the summer recess.

Teacher Training

Mr. Hancock asked the Secretary of State for Education and Science if he has any plans to consult the Council for the Accreditation of Teacher Education with regard to the future of initial teacher training at Portsmouth polytechnic; and if he will make a statement.

Mr. Chris Patten: My right hon. Friend has no such plans.

Mr. Hancock asked the Secretary of State for Education and Science from which institutions and validating bodies he received advice before making his provisional decision to end initial teacher training at Portsmouth polytechnic and Humberside college.

Mr. Chris Patten: All institutions providing initial teacher training and their validating bodies were amongst those who advised my right hon. Friend before he made his provisional decisions on intakes to public sector initial teacher training courses for 1987-89.

Mr. Hancock asked the Secretary of State for Education and Science how many representations he has received to date with regard to his provisional decision to end teacher training at Portsmouth polytechnic.

Mr. Chris Patten: My right hon. Friend has received seven letters from hon. Members and members of the public.

Schools (Statistics)

Dr. Twinn asked the Secretary of State for Education and Science how many schools in England are *(a)* county, *(b)* voluntary controlled and *(c)* voluntary aided.

Mr. Dunn: In England, in January 1985, there were 16,356 county schools, 3,207 voluntary controlled and 4,553 voluntary aided schools.

University Funding

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science (1) what is the percentage change in the funding of each university by the University Grants Committee between 1980-81 and 1986-87, excluding those amounts representing compensation for changes in home student fees, for redundancy and for early retirement, changes to take account of minor capital works from the recurrent grant, changes in the level of local authority rates and additions made for the information technology and new blood programmes.

(2) what is the percentage change in real terms, measured by the gross domestic product deflator, in the funding of each university by the University Grants Committee between 1980-81 and 1986-87, excluding those amounts representing compensation for changes in home student fees, compensation for redundancy and early retirement, changes to take account of minor capital works from the recurrent grant and changes in the level of local authority rates *(a)* including and *(b)* excluding additions made for the information technology and new blood programmes.

Mr. Walden [*pursuant to his reply*, 3 June 1986, c. *480*.]: The percentage changes in the funding of each university by the University Grants Committee in its basic recurrent and equipment grants between 1980-81 and 1986-87, excluding those amounts representing compensation for changes in the level of home student fees, compensation for redundancy and early retirement, provision for capital in recurrent expenditure, local authority rates and additions made for information technology and new blood programmes is given in column *(a)*. Columns *(b)* and *(c)* gives the comparable percentage figures in real terms measured by the GDP deflator *(b)* including and *(c)* excluding additions made for information technology and new blood posts. The percentage changes shown will be in part the consequence of the withdrawal of the overseas student subsidy and to the extent that these losses have been made up by increased fee income will not accurately reflect the changes in the universities' financial position.

Percentage change in UGC funding (Academic year) 1980-81 to 1986-87

University	*(a) Cash excluding Information Technology and New Blood*	*(b) Real terms including Information Technology and New Blood*	*(c) Real Terms excluding Information Technology and New Blood*
Aston	− 7·5	−31·7	−32·7
Bath	+28·2	− 4·6	− 6·8
Birmingham	+12·3	−16·9	−18·4
Bradford	− 8·8	−33·0	−33·7
Bristol	+16·3	−13·8	−15·5
Brunel	+10·6	−18·9	−19·6
Cambridge	+20·3	−10·0	−12·5
City	+ 6·2	−22·3	−22·8
Durham	+19·3	−11·7	−13·3
East Anglia	+15·1	−14·4	−16·2
Essex	+11·3	−16·8	−19·1
Exeter	+ 9·4	−19·7	−20·5
Hull	+ 8·6	−19·9	−21·1
Keele	−11·6	−35·0	−35·7
Kent	+ 7·6	−19·8	−21·8
Lancaster	+14·8	−14·8	−16·5
Leeds	+12·9	−16·2	−17·9
Leicester	+24·4	− 8·1	− 9·6
Liverpool	+10·5	−18·6	−19·6
London Graduate School of Business Studies	+72·1	+26·4	+25·0
London University	+14·0	−15·8	−17·1
Loughborough	+27·7	− 6·3	− 7·2
Manchester Business School	+ 1·8	−26·2	−26·2
Manchester	+14·0	−15·6	−17·1
University of Manchester Institute of Science and Technology	− 3·8	−28·1	−30·1
Newcastle	+17·2	−12·8	−14·8
Nottingham	+17·2	−13·3	−14·8
Oxford	+17·8	−12·4	−14·4
Reading	+12·6	−16·8	−18·2
Salford	−22·9	−43·2	−44·0
Sheffield	+14·3	−16·2	−16·9
Southampton	+22·3	− 9·4	−11·1
Surrey	+ 2·1	−24·6	−25·7
Sussex	+ 8·2	−18·9	−21·3
Warwick	+24·2	− 7·3	− 9·7
York	+35·2	+ 1·5	− 1·8
Aberystwyth U.C.	+ 8·0	−20·3	−21·4

University	(a) Cash excluding Information Technology and New Blood	(b) Real terms including Information Technology and New Blood	(c) Real Terms excluding Information Technology and New Blood
Bangor U.C.	+10·0	−19·3	−20·0
Cardiff U.C.	+11·5	−18·3	−18·9
St. David's Lampeter	+29·6	− 5·7	− 5·7
Swansea U.C.	+ 9·5	−19·1	−20·4
University of Wales Institute of Science and Technology	+ 6·1	−21·4	−22·8
Welsh National School of Medicine	+23·7	− 9·0	−10·1
Aberdeen	+ 2·7	−24·4	−25·3
Dundee	+ 9·0	−19·6	−20·7
Edinburgh	+18·8	−11·6	−13·6
Glasgow	+24·9	− 7·8	− 9·2
Heriot-Watt	+20·8	−10·1	−12·2
St. Andrews	+ 7·1	−21·0	−22·1
Stirling	+ 5·0	−22·7	−23·6
Strathclyde	+13·4	−16·3	−17·6

ENVIRONMENT

Faslane

Mr. Dewar asked the Secretary of State for the Environment what sum the Property Services Agency plans to spend at the Faslane base on roads, jetties and other infrastructure in each of the next 10 years.

Sir George Young: Spending on roads, jetties and similar infrastructure items currently planned to provide access to the construction sites at the Clyde submarine base at Faslane and the armament depot at Coulport, is expected to total some £29 million. The spread of expenditure is expected to be restricted to five years and be of the order shown below.

	£ million (current prices)
Prior years	0·5
1986-87	12·0
1987-88	14·5
1988-89	1·5
1989-90	0·5

Palace of Westminster (Underground Pedestrian Approach)

Mr. Lawrence asked the Secretary of State for the Environment who now has responsibility for maintaining the underground pedestrian approach to the Palace of Westminster; and whether he has any proposals for improving its hygiene, appearance and safety.

Sir George Young: The maintenance of the pedestrian subway under Bridge street is, since the abolition of the GLC, the sole responsibility of Westminster city council.

Day to day maintenance currently consists of an early morning clean and additional afternoon sweeping. Performance of this task is kept under review in regular meetings between the Council and the Property Services Agency.

Rates and Precepts

Mr. Heddle asked the Secretary of State for the Environment if he will make a statement on the operation of the recently introduced consultation procedures which precede the making of local rates and precepts.

Mrs. Rumbold: The duty on local authorities to consult representatives of industrial and commercial ratepayers before setting their rates and precepts has been in operation for two years. Experience in the first year suggested that, although there had been difficulties in some areas, local authorities were now generally much more aware of the problems and needs of their business ratepayers. We shall shortly be seeking views on the experience of the second year.

St. Vincent House

Mr. Cohen asked the Secretary of State for the Environment for what period of time the lease between the Property Services Agency and the London Residuary Body for the office space in St. Vincent house is valid; how much will be paid yearly by the London Residuary Body in rent for the five years after April 1987; what is the square footage of the office space rented; what is the total cost per year to the Property Services Agency of maintaining St. Vincent house; and what options are available in the lease for extending the time of the lease or the area of office space.

Sir George Young: The London Residuary Body is occupaying some 5,389 sq ft of St. Vicent house. The terms of lease for its occupation have not yet been finalised. I expect this matter will be concluded shortly. It is not normally the practice, for reasons of commercial confidentiality, to disclose the terms of such agreements.

Local Government Reform (Ex Gratia Payments)

Mr. Cohen asked the Secretary of State for the Environment if he will issue guidelines to local authorities regarding the circumstances in which ex gratia payments should be made in connection with the abolition of the Greater London council and as to the amounts involved; and if he will make a statement.

Mr. Tracey: The making of ex gratia payments to local authority staff is a matter for individual local authorities in the light of their own pay agreements.

Data Protection

Mr. Cohen asked. the Secretary of State for the Environment how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Ridley: My Deprtment has made 13 registrations. One person has implementation as a significant part of his job description. I cannot yet estimate the cost of conforming with the eight principles.

Gravel Extraction (Ouse Valley)

Sir Trevor Skeet asked the Secretary of State for the Environment how many plannning appeals he is currently considering in relation to the extraction of gravel in the Ouse Valley in Bedfordshire.

Mr. Tracey: My right hon. Friend is currently considering one planning appeal relating to the extraction of gravel in the Ouse valley in Bedfordshire. This is for an extension to Radwell quarry at Moor End, near Bedford. The public local inquiry opens on 10 June. I will let my hon. Friend know the result in due course.

Toxteth Riots (Compensation)

Mr. Parry asked the Secretary of State for the Environment what body is now dealing with compensation claims arising from the riots at Toxteth in 1981 and 1985.

Mr. John Patten: The Merseyside Residuary Body is the body now dealing with compensation claims arising from the riots at Toxteth in 1981 and 1985.

Radiation

Mr. Hancock asked the Secretary of State for the Environment which part of the United Kingdom recorded the highest levels of radiation following the Chernobyl incident.

Mrs. Rumbold: The highest levels of radiation reported to the NRPB were in Cumbria and north Wales on Saturday 3 May 1986.

Residuary Bodies

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply of 21 May, *Official Report*, column 202, if he will make a statement on the individual matters discussed at his meeting with the chairmen of the residuary bodies on 30 May.

Mr. Tracey: Meetings with the residuary body chairman such as that held on 30 May are held periodically to discuss matters concerning the residuary bodies' functions in general. These include staff property, finance and progress towards wind up.

Waste Disposal

Mr. Tony Banks asked the Secretary of State for the Environment what information he has of the total number of staff employed by the London waste regulation authority and the seven waste disposal authorities in Greater London and the total number of staff previously employed by the Greater London council on waste disposal.

Mrs. Rumbold: I understand that the London Waste Regulation Authority at present directly employs some 79 staff. Similar information for the four statutory waste authorities and 12 London boroughs responsible for waste disposal is not available centrally. I understand that the GLC employed around 900 staff on waste regulation and disposal. Further information will be sought in due course through the joint manpower watch.

Sport and Recreation

Mr. Tony Banks asked the Secretary of State for the Environment what representations he has received from the Central Council for Physical Recreation concerning the future of sport and recreation in the major conurbations following abolition of the Greater London council and the metropolitan county councils.

Mr. Tracey: One. The chairman of the CCPR wrote to the Prime Minister on 23 October 1984.

Planning (Greater London)

Mr. Tony Banks asked the Secretary of State for the Environment if he will give an account of the relationship between the London and South East Regional Planning Conference, the London Planning Advisory Committee and his Department in terms of planning work in Greater London; and if he will make a statement.

Mr. Tracey: The responsibility for providing strategic planning guidance in Greater London rests with my right hon. Friend the Secretary of State for the Environment. He will be seeking the advice of the London Planning Advisory Committee, the London and South East Regional Planning Conference and other bodies on the scope and content of that guidance. The advice will be framed within the context provided by the strategic guidance for London and the South East, which was issued in draft by the Secretary of State on 27 February 1986 in response to a regional statement prepared by the London and South East Regional Planning Conference.

Nuclear Waste

Mr. Michael Brown asked the Secretary of State for the Environment if he will inform Humberside county council and Glanford borough council of the name of the company to be employed in the test drilling of the possible nuclear waste site at South Killingholme; and if he will announce when test drilling will commence.

Mrs. Rumbold: The geo-technical consultants appointed by NIREX to supervise the investigations of the South Killingholme site are Howard Humphreys. The sub-contractor who will carry out the test drilling has not yet been appointed. Drilling could not start until 7 July when the special development order permitting geological investigations comes into operation. After that it is a

matter for NIREX and the contractors to decide when drilling should begin. I will arrange for a copy of this answer to be sent to the two councils.

Business Rates

Mr. Hancock asked the Secretary of State for the Environment what evidence he has of the impact of increased rates on businesses in *(a)* Portsmouth and *(b)* Hampshire as a whole.

Mrs. Rumbold: My right hon. Friend has no direct evidence of the impact of increased rates on businesses in either Portsmouth or Hampshire.

London Docklands Development Corporation

Mr. Spearing asked the Secretary of State for the Environment what proposals he has received from the London Docklands Development Corporation concerning major new road construction in its area; and what are the estimated costs of each section of the proposed works.

Sir George Young: I will answer this question shortly.

Mr. Tony Banks asked the Secretary of State for the Environment what information he has as to the number and size, in terms of bedrooms and type, of residential units sold for under £40,000 on land owned by the London Docklands Development Corporation for each financial year up to march 1986.

Sir George Young: I will answer this question shortly.

Parking Fines

Mr. Tony Banks asked the Secretary of State for the Environment how much in total has been spent by his Department on parking fines on behalf of vehicles used by Government Departments in each year since 1973.

Sir George Young: I shall answer this question shortly.

Untreated Sewage

Mr. Tony Banks asked the Secretary of State for the Environment what information he has about the quantity of untreated sewage entering natural water areas in England.

Mr. Rumbold: The responsibility for controlling these discharges rests with the water authorities. The information sought is not held centrally.

Capital Receipts (Local Authorities)

Mr. Lawler asked the Secretary of State for the Environment what is his latest estimate of the accumulated capital receipts held by local authorities at the end of 1984-85.

Mrs. Rumbold: My Department has now collected information from local authorities on their accumulated capital receipts. At the end of 1984-85 local authorities in England held £6·2 billion of accumulated receipts which, subject to the relevant prescribed proportions, gave rise to spending permission under the capital control system. Of this total, £3·8 billion was backed by cash; the remainder had been used for purposes such as debt repayment.

Nuclear Dumping Sites

Mr. Austin Mitchell asked the Secretary of State for the Environment how many geologists were employed by NIREX in the research programme which resulted in the selection of the four sites for possible nuclear dumping; and what geological assessment of those sites was subsequently made by his Department.

Mrs. Rumbold: It is for NIREX to decide whom it needs to employ. No geological assessment of the sites has been made by my Department since they were announced.

Serpentine Lido

Mr. Freeson asked the Secretary of State for the Environment what studies are currently being carried out into ways of purifying the bathing water of the Serpentine Lido in Hyde Park; and when these are expected to be completed.

Mrs. Rumbold: Studies are currently being undertaken by water quality experts in the Department of the Environment into the options for disinfecting the water in the Serpentine Lido, Hyde park, in the light of the effect of any new process on the chemical balance of the lake water and the consequences for the fish, water plants and birds. I expect to receive a report with recommendations shortly.

Mr. Freeson asked the Secretary of State for the Environment when he expects the Serpentine Lido in Hyde park to be reopened for use by members of the public.

Mrs. Rumbold: I expect the Serpentine Lido to be reopened for use by members of the public as soon as an acceptable method of disinfecting the water in the Serpentine lake has been identified and works to introduce a new disinfection plant and pumping station, together with any other complementary works, have been carried out. It is impossible to say how long this work will take until a suitable process has been identified and evaluated.

Pollution

Mr. Ron Davies asked the Secretary of State for the Environment (1) if he will list the main causes of pollution in Britain in order of magnitude and estimate, for each factor, the percentage of total environmental pollution for which each is responsible;

(2) which pollutants derive from vehicle exhaust fumes and, in each case, in Britain, what percentage of the total amount of these pollutants in air-borne pollution they presently represent.

Mrs. Rumbold: Information about the emission and discharge of pollutants in the United Kingdom, including that from vehicles, is given in the Digest of Environmental Protection and Water Statistics published annually by my Department. A copy of the latest digest is in the Library of the House.

Fire Resistance Tests

Mr. Ashdown asked the Secretary of State for the Environment what steps he is taking to accelerate the standardisation of fire resistance tests within the European Economic Community.

Sir George Young: The Commission of the European Communities is preparing proposals for standardisation of

fire resistance tests for building materials. As these proposals develop, the Department will be consulting the fire test laboratories and the industry through the appropriate British Stadards Institution committees.

Local Authority Housing (Hampshire)

Mr. Hancock asked the Secretary of State for the Environment how many houses have been built by each local authority in Hampshire in each year since 1979.

Sir George Young: Information supplied by local authorities to the Department is in the table:

Dwellings completed by local authorities in Hampshire by calendar year

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Basingstoke	36	8	9	62	2	8	28
East Hampshire	87	126	144	82	59	37	42
Eastleigh	74	137	0	53	83	19	93
Fareham	188	0	59	0	97	22	54
Gosport	181	131	47	58	51	75	33
Hart	72	30	117	19	16	72	80
Havant	128	133	104	67	76	78	122
New Forest	205	134	130	111	87	45	151
Portsmouth	282	263	24	0	56	105	58
Rushmoor	244	0	222	37	0	0	49
Southampton	290	148	79	177	172	75	92
Test Valley	123	185	64	81	139	89	44
Winchester	137	149	133	28	65	58	68
TOTAL	2,047	1,444	1,132	775	903	683	914

Mr. Hancock asked the Secretary of State for the Environment how many people were on the waiting list for council accommodation in each of the local authority areas in Hampshire as of 31 May; and what was the figure on 31 May 1981.

Sir George Young: This information is not held centrally. Local authorities' own criteria for accepting people on to their waiting lists may vary from time to time and thus make comparisons problematic.

Homeless Persons (Hampshire)

Mr. Hancock asked the Secretary of State for the Environment how many homeless persons there were in each of the 13 district council areas in Hampshire as of 31 May.

Sir George Young: Information is not available in the form requested. Local authorities report for each quarter the numbers of households accepted as homeless. The latest figures, for the quarter ended 31 December 1985, are in the table.

Households accepted as homeless in the quarter ended 31 December 1985

	Number
Basingstoke*	—
East Hampshire	50
Eastleigh	16
Fareham	8
Gosport	58
Hart	27
Havant	33
New Forest	38
Portsmouth	71
Rushmoor	37
Southampton	51
Test Valley	44
Winchester	12

* Basingstoke did not provide information for this quarter.

Rose Hill Estate, Willenhall

Mr. Winnick asked the Secretary of State for the Environment (1) what conditions have been made by his Department regarding the modernisation of the Rose Hill estate, Willenhall by the Walsall metropolitan borough council; and whether consultations with the tenants are being held by his officials over these conditions;

(2) if he will state the up-to-date position regarding additional funding from his Department to the Walsall metropolitan borough council to modernise the Rose Hill estate in Willenhall; and when it is proposed for the work to be carried out by the local authority.

Sir George Young: The Department's urban housing renewal unit and regional office have discussed with Walsall borough council the prospects for an extra housing investment programme allocation and a community refurbishment scheme on the Rose Hill estate. Revised proposals have only just been received and are currently being considered by the Department. There are no rigid pre-conditions for schemes supported by the urban housing renewal unit, but local authorities are encouraged to introduce improved estate-based housing management and to take full advantage of any opportunities which may exist for obtaining private sector contributions. The local authority will also be expected to have consulted the tenants of the estate about any such proposals.

EMPLOYMENT

Coal and Uranium Mining

Mr. Corbyn asked the Paymaster General if he will set out a list of all studies undertaken by his Department, or bodies sponsored by his Department, on the comparative immediate and latent health risks of coal and uranium mining for fuel stocks for Britain's electricity generation programme.

Mr. Trippier: There are none. A report published by the Health and Safety Executive in 1980 reviews and compares the risks, immediate and latent, in the wider case of coal, oil, and uranium fuel cycles for electricity production.

Labour Statistics

Mr. Parry asked the Paymaster General if he will list in the *Official Report* the information available to him on the level of unemployment in Organisation for Economic Co-operation and Development countries, and the percentage figures at the latest date.

Mr. Lang: The latest available information is given in the table below. The figures are not fully comparable because of national differences in definitions and methods of compilation.

	Seasonally adjusted unemployment				
	National definitions			*OECD Standardised rates*	
	Month	*Level (thousands)*	*Percent rate*	*Month*	*Percent rate*
Canada	April	1,239	9·6	March	9·6
United States of America	April	8,342	7·1	April	7·0
Japan	February	1,530	2·6	March	2·7
Australia	April	601	7·9	March	8·0
Austria	April	150	5·1	September 1985	3·5
Belgium	April	448	16·3	April	12·4
Denmark	January	215	8·0		‡
Finland	January	171	6·7	December 1985	6·1
France	April	2,429	10·4	March	10·0
Germany	April	2,250	9·0	March	8·6
Greece	March	†116	†6·4		‡
Ireland	April	231	17·8		‡
Italy	October 1985	2,592	11·1	October 1985	10·9
Luxembourg	April	*2·2	*1·4		‡
Netherlands	April	723	14·9	March	12·6
Norway	February	34	1·7	March	1·9
Spain	March	2,745	22·3	December 1985	21·6
Sweden	December	131	2·9	March	3·0
United Kingdom	April	3,202	13·2	March	13·3

Notes:
* Unadjusted.
† Estimated.
‡ Not available.

Mr. Gordon Brown asked the Paymaster General if he will list the 50 travel-to-work areas which have seen the largest rise in unemployment since January 1985; and if he will provide a percentage figure for the rise in unemployment in each case.

Mr. Lang: The following information is in the Library. Precise comparisons of unemployment by travel-to-work area between January 1985 and April 1986 are not available because of the change in the timing of compilation of unemployment statistics in March 1986; but the table, which shows the 50 travel-to-work areas of Great Britain that between January 1985 and April 1986 have had the largest rise in the published figures of unemployed claimants, expressed both in absolute terms and as a percentage, gives a broad indication of the comparison, which is also affected by seasonal factors.

Travel-to-Work Area	*Increase in numbers of unemployed claimants*	*Percentage increase*
London	9,146	2·5
Barnsley	3,092	22·6
Sheffield	3,081	7·0
Rotherham and Mexborough	2,444	11·2
Doncaster	2,013	10·1
Wakefield and Dewsbury	1,373	8·2
Newcastle-Upon-Tyne	1,252	1·9
Greenock	1,208	13·4
Kirkcaldy	1,165	10·8
Swindon	927	9·2
Castleford and Pontefract	895	10·7
Nottingham	683	1·5
Great Yarmouth	577	8·8
Morpeth and Ashington	576	7·2
Norwich	561	4·0
Worksop	522	14·2
Bridgend	507	5·6
Dunfermline	487	6·3
York	444	4·9
Mansfield	431	4·9
South Tyneside	422	2·7
Merthyr and Rhymney	410	3·8
Plymouth	407	2·3
King's Lynn and Hunstanton	405	7·4
Aberdeen	389	3·7
Chesterfield	359	3·4
Cumnock and Sanquhar	354	8·5
Redruth and Camborne	346	8·2
Yeovil	330	9·5
Portsmouth	316	1·6
Stafford	305	4·8
Canterbury	303	5·5
Inverness	251	5·5
South Pembrokeshire	245	7·8
Lincoln	229	2·7
Hull	226	0·7
Alfreton and Ashfield	226	3·1

Travel-to-Work Area	Increase in numbers of unemployed claimants	Percentage increase
Burton-on-Trent	221	3·1
Dover and Deal	221	4·6
Tunbridge Wells	218	3·8
Holyhead	217	5·5
Hastings	214	3·2
Bridgwater	208	5·2
Wisbech	192	6·9
Pontypool and Cwmbran	190	3·0
Bridlington and Driffield	173	5·8
Huddersfield	170	1·5
Bury St. Edmunds	170	8·2
Carlisle	162	2·7
Wigan and St. Helens	161	0·5

Mr. Gordon Brown asked the Paymaster General if he will list the 50 Parliamentary constituencies which have seen the largest rise in unemployment since January 1985; and if he will provide a percentage figure for the rise in unemployment in each case.

Mr. Lang: The following information is in the Library. Precise comparisons of unemployment at constituency level between January 1985 and April 1986 are not available because of the change in the timing of compilation of unemployment statistics in March 1986; but the following table, which shows the 50 Parliamentary constituencies of Greater Britain that between January 1985 and April 1986 have had the largest rise in the published figures of unemployed claimants, expressed both in absolute terms and as a percentage, gives a broad indication of the comparison, which is also affected by seasonal factors.

Parliamentary constituency	Increase in numbers of unemployed claimants	Percentage increase
Barnsley and Penistone	1,271	25·9
Barnsley East	1,196	23·8
Don Valley	1,180	17·3
Doncaster North	1,107	13·8
Hemsworth	980	19·8
Greenock and Port Glasgow	979	12·5
Rother Valley	941	17·1
Barnsley Central	927	16·7
Hammersmith	891	13·7
Southwark and Bermondsey	823	12·1
Sheffield Heeley	789	11·9
Lewisham Deptford	783	10·6
Swindon	780	12·0
Wallsend	766	9·6
Bassetlaw	756	14·6
Wentworth	732	12·0
Islwyn	631	16·9
Pontefract and Castleford	614	10·8
Peckham	606	7·0
Liverpool Mossley Hill	602	8·6
Central Fife	539	9·9
Sheffield Attercliffe	533	9·1
Vauxhall	507	5·0
Kirkcaldy	502	10·9
Islington North	502	5·5
Tottenham	499	5·3
Ogmore	498	10·7
Great Yarmouth	496	8·2
Liverpool Broadgreen	495	6·0
Brent East	494	7·7
Sheffield Brightside	490	6·3
Dunfermline East	476	10·3
Lewisham West	428	8·3
Newcastle-upon-Tyne East	421	5·9
Bethnal Green and Stepney	401	5·4
Blyth Valley	400	8·2
Hackney South and Shoreditch	397	3·8
Woolwich	394	6·6
Sheffield Hillsborough	392	6·9
Wigan	384	5·4
South West Norfolk	379	9·2
Wansbeck	377	8·1
York	376	6·6
Pembroke	375	5·2
Jarrow	371	4·7
North West Norfolk	363	7·4
Moray	362	9·6
Lewisham East	347	7·4
Greenwich	347	7·6
Carrick, Cumnock and Doon Valley	341	5·3

Health and Safety Executive Laboratories

Mr. Dobson asked the Paymaster General what has been the cost incurred to date in establishing the occupational medicine and hygiene laboratories of the Health and Safety Executive in Edgware Road, London NW2

Mr. Trippier: I shall reply to the hon. Member as soon as possible.

Private Nursing Homes

Mr. Field asked the Paymaster General what responses he has had from his "Lifting the Burden" consultation exercise in respect of deregulating private nursing homes; if he will publish details of the organisations contacted and their responses; and if he will make a statement.

Mr. Trippier: In February, the enterprise and deregulation unit wrote to a wide variety of business organisations, local authority associations and others about 65 licensing requirements imposed by central Government. Views were invited on the extent and nature of the burdens placed on businesses and enforcing authorities by these requirements. Of the 130 responses received, the following included comments on the registration and inspection requirements for residential care and nursing homes under the Registered Homes Act 1984 and the Nursing Homes and Mental Nursing Homes Regulations 1984:

- Association of County Councils
- Association of Metropolitan Authorities
- British Federation of Care Home Proprietors
- Chartered Society of Physiotherapy
- Child Care
- City of London Corporation
- Council for Professions Supplementary to Medicine
- Council for Small Industries in Rural Areas
- Enterprise Agency of East Kent
- Independent Hospital Group
- London Boroughs Association
- National Union of Marine Aviation and Shipping Transport Officers
- Registered Nursing Home Association
- Royal College of Pathologists

There was widespread support for stringent controls of residential care and nursing homes and indeed several respondents proposed tighter controls. These responses are being carefully considered by the Department of

Health and Social Security in conjunction with the enterprise and deregulation unit. If it appears that changes in the regulations would be desirable, there will be further consultation with the business and other organisations most closely concerned. The Government have, however, no plans to remove controls governing residential care or nursing homes.

Re-establishment Centres

Mr. Soley asked the Paymaster General (1) if he will list the courses and number of places available on Manpower Services Commission courses considered appropriate for the needs of those people currently attending re-establishment centres;

(2) whether the Manpower Services Commission has agreed to take responsibility for the people currently attending the re-establishment centres due to be closed; and if he will make a statement;

(3) whether the Manpower Services Commission will seek to ensure that employers on Manpower Services Commission schemes accept people currently attending re-establishment centres.

Mr. Lang: The full range of assistance currently provided by the Manpower Services Commission is available to all those attending re-establishment centres; this includes all courses, schemes and services, subject to the normal individual eligibility and suitability criteria. I would strongly encourage each person now attending a re-establishment centre to make contact with his or her local jobcentre as early as possible to discuss their employment needs and the range of services and individual help the Manpower Services Commission has to offer.

Mr. Soley asked the Paymaster General whether his Department intends to accept the transfer of staff currently working in re-establishment centres to the Manpower Services Commission.

Mr. Lang: I refer the hon. Member to the reply my hon. Friend the Parliamentary Under-Secretary of State for Social Security gave to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on 22 May at columns 317 and 318.

Miners (Unemployment Benefit)

Mr. Gordon Brown asked the Paymaster General if he will withdraw his Adjudication Officer's circular debarring unemployment benefit offices from advising redundant mineworkers on unemployment benefit.

Mr. Lang: I refer the hon. Member to my reply to the hon. Member for Oldham, West (Mr. Meacher) on 19 May at column 48.

We have no plans to withdraw this circular.

Unemployed Persons (Postal Charges)

Mr. Gordon Brown asked the Paymaster General if unemployed persons asked to sign on fortnightly by post have to pay postal charges when returning their forms; and if he will make a statement.

Mr. Lang: Most unemployed people attend the unemployment benefit office in person each fortnight to sign on and claim unemployment benefit bearing any travelling costs involved. People living over six miles from their nearest office and some others with special travelling difficulties have the option of claiming by post instead. Since 6 April these "postal claimants" have been asked to pay the postage when returning their fortnightly claim forms. The change was made as a contribution to containing control of public expenditure and a move towards parity of treatment between postal claimants and those bearing regular travelling costs.

SCOTLAND

Local Government Finance

Dr. Godman asked the Secretary of State for Scotland what is the total amount to date which has been withheld from *(a)* all local authorities, *(b)* local authorities in the Strathclyde region and *(c)* the Inverclyde district council in the form of penalties imposed by the Government on councils for spending in excess of stipulated amounts.

Mr. Ancram: The information is set out below. General abatement of rate support grant was first used in 1976-77. Prior to 1982-83 abatements were made by withholding a lump sum of rate support grant which would otherwise have been paid to all authorities at the increase order stage. The effect on individual authorities was not specified but all authorities lost grant proportionately. From 1982-83 grant reductions have been related to overspending with reductions in the amounts paid to individual authorities being specified. In addition selective action under section 5 of the Local Government (Scotland) Act 1966 reduced the rate support grant payable to those authorities affected for 1981-82 by £31·3 million.

	Scotland £ *million*	*Local authorities in Strathclyde Region* £ *million*	*Inverclyde District Council* £ *million*
1976-77	5·0	—	—
1979-80	36·5	—	—
1980-81	50·0	—	—
1981-82	27·0	—	—
1982-83	22·2	13·8	0·0
1983-84	27·6	15·9	0·0
1984-85	62·2	35·9	0·0
1985-86	126·6	78·5	0·0

Notes:

1. Of the £50 million in 1980-81, £15 million affected the rate support grant settlement for 1980-81; £20 million affected the settlement for 1981-82 and £15 million for 1982-83.
2. In 1982-83 and 1983-84 grant abatements were made according to the individual authority's share of rate support grant although arrangements were made to protect authorities spending within guideline at outturn. Since 1984-85 penalties have been directly related to overspending current expenditure guidelines with no penalties for authorities spending within guideline.
3. The figures for the years to 1982-83 are final; those for 1983-84 and 1984-85 are based on near final expenditure; and those for 1985-86 are based on budgets.

Dr. Godman asked the Secretary of State for Scotland what is the total amount of capital receipts which *(a)* all local authorities, *(b)* local authorities in the Strathclyde region and *(c)* the Inverclyde district council are currently prevented from spending because of the current regulations regarding such spending.

Mr. Ancram: None. All Scottish local authorities are entitled to augment their capital spending power, controlled by my right hon. and learned Friend under section 94 of the Local Government (Scotland) Act 1973, by the full amount of any capital receipts they raise.

Construction Industry

Dr. Godman asked the Secretary of State for Scotland what is his estimate of the number of unemployed construction workers in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland as a whole.

Mr. Allan Stewart: The most recent information on unemployed construction workers relates to spring 1984 and comes from the labour force survey. From this source the Department of Employment estimates at 33,000 the number of people looking for work in Scotland during the week prior to the survey, whose last job was in the construction industry and who had been unemployed for less than three years. Sample sizes are too small to provide reliable estimates for Strathclyde or Greenock and Port Glasgow.

Regional Development Grants

Dr. Godman asked the Secretary of State for Scotland what proportion of the total of regional development grants has been paid to firms in *(a)* Inverclyde district and *(b)* the Strathclyde region in each year since 1979.

Mr. Allan Stewart: Information in the form requested is not available. However, payments of old regional development grant for groupings of Department of Employment Local Office Areas (EOAs) corresponding broadly to Inverclyde district and Strathclyde region are given below. Comparable information for payments of new regional development grant is not available.

	Inverclyde area £ *million*	*Strathclyde area* £ *million*
1979	0·8	18·8
1980	1·6	29·2
1981	5·7	53·7
1982	6·0	65·6
1983	2·9	37·1
1984	5·6	38·5
1985	9·9	45·7

Notes:
(1) Includes payments of over £25,000 only;
(2) Iverclyde area comprises Greenock and Port Glasgow EOAs;
(3) Strathclyde area comprises EOAs in the following old travel-to-work areas: Ayr, Campbeltown, Cumnock, Dumbarton, Dunoon, Girvan, Glasgow, Greenock, Irvine, Kilmarnock, Lanark, Lochgilphead, North Lanarkshire, Oban, Paisley and Rothesay.

Dr. Godman asked the Secretary of State for Scotland what is his estimate of the number of firms in *(a)* the Inverclyde district and *(b)* Strathclyde region which have received regional development grant payments since 1979 and have subsequently closed down or announced redundancies; and if he will give an estimate of the numbers of jobs involved.

Mr. Allan Stewart: The information requested is not available.

Mr. Gordon Brown asked the Secretary of State for Scotland how much money has been paid out in regional development grants in Scotland since the changes announced in November 1984; and what is the proportion paid out to Fife.

Mr. Allan Stewart: In the period up to end-April 1986, £12·1 million new regional development grant was paid to businesses in Scotland, and no new regional development grant had been paid out to businesses in Fife. Comparable figures for payments of old regional development grants are not available.

Labour Statistics

Dr. Godman asked the Secretary of State for Scotland (1) how many people were registered as unemployed in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland as a whole in each year since 1979;

(2) how many vacancies were available in jobcentres in *(a)* Scotland, *(b)* Strathclyde and *(c)* Greenock and Port Glasgow in May 1979, June 1983 and at the latest date for which figures are available;

(3) what specific plans he has to reduce youth unemployment in *(a)* Strathclyde and *(b)* Greenock and Port Glasgow;

(4) what was the level of youth unemployment in the Greenock travel-to-work area at the latest date for which figures are available; and what were the comparable figures in 1979 and subsequent years;

(5) what was the level of long-term unemployment in Greenock and Port Glasgow at the latest date for which figures are available; and what were the comparable figures in 1979 and subsequent years.

Mr. Allan Stewart: I will reply to the hon. Member as soon as possible.

Dr. Godman asked the Secretary of State for Scotland what has been the rate of redundancies per thousand employees in *(a)* Scotland, *(b)* Strathclyde and *(c)* Greenock and Port Glasgow.

Mr. Allan Stewart: In 1985 redundancies per thousand employees in Scotland, Strathclyde and the Greenock and Port Glasgow area were respectively 13·5, 14·5 and 47·2. The employment base used for Scotland relates to 1985, and for Strathclyde and Greenock and Port Glasgow to 1981.

Scottish Development Agency

Mr. McKelvey asked the Secretary of State for Scotland (1) if he will list the financial investment by the Scottish Development Agency from 1979 to 1985 in the following areas: *(a)* Dundee, *(b)* Inverclyde, *(c)* Motherwell, *(d)* East Kilbride, *(e)* Glengarnock, *(f)* Kilmarnock, *(g)* Fife and *(h)* Cumnock and Doon Valley;

(2) what were the annual budgets of the Scottish Development Agency for the years 1979 to 1985 inclusive; and if he will list as a percentage of those budgets, investment in the following areas; *(a)* Dundee, *(b)* Inverclyde, *(c)* Motherwell, *(d)* East Kilbride, *(e)* Glengarnock, *(f)* Kilmarnock, *(g)* Fife and *(h)* Cumnock and Doon Valley.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

Mr. Gordon Brown asked the Secretary of State for Scotland how much money has been spent by the Scottish Development Agency in *(a)* Fife and *(b)* Dunfermline district in each year since it was established; and if he will show these figures as a proportion of total expenditure by the Scottish Development Agency.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

Electricity Boards

Mr. Norman Hogg asked the Secretary of State for Scotland (1) when he last met the chairman of the North of Scotland Hydro Electricity Board; and what subjects were discussed;

(2) when he last met the chairman of the South of Scotland Electricity Board; and what subjects were discussed.

Mr. Allan Stewart: My right hon. and learned Friend met the chairmen of the two Scottish electricity boards on 17 March when a range of issues of current interest, including nuclar matters, was discussed.

Mr. Norman Hogg asked the Secretary of State for Scotland what arrangements exist between the two Scottish electricity boards for determining generation policy; what procedure is used by the boards to consult the Central Electricity Generating Board; and if he will make a statement on co-ordination in relation to these matters between the Scottish Office and the Department of Energy.

Mr. Allan Stewart: The Scottish electricity boards collaborate closely on the planning of the electricity generating system in Scotland which they operate jointly and the chairman of each board is a member of the other board. The Scottish boards and the Central Electricity Generating Board have regular discussions about matters of common interest through, for example, a planning liaison committee on which the three boards are represented. Responsibility for these arrangements rests with the boards.

My officials and those of the Department of Energy are in regular contact with each other and with the electricity supply industry about these matters.

North of Scotland Hydro Electric Board

Mr. Norman Hogg asked the Secretary of State for Scotland if he will list the members of the North of Scotland Hydro Electric Board; the dates of their original appointment and the dates when their present appointments terminate.

Mr. Allan Stewart: The information requested is as follows:

	Date of original appointment	*Date of expiry of current appointment*
Mr. M. Joughin (Chairman)	1 January 1983	31 December 1990
Mr. K. R. Vernon (Deputy Chairman)	1 January 1970	15 March 1988
Mr. G. Barrie	1 March 1985	31 December 1987
Mrs. C. A. M. Davis	1 January 1980	31 December 1988
Mr. C. S. Macphie	10 February 1984	31 December 1986
Mr. D. J. Miller*	1 April 1982	31 March 1987
Mr. D. F. Myles	1 March 1985	31 December 1987
Mr. A. T. H. Tulloch	10 February 1984	31 December 1986
Mr. M. G. N. Walker	1 January 1982	31 December 1987

* Ex-officio member, as Chairman of the South of Scotland Electricity Board.

Peterhead-Aberdeen Road

Mr. McQuarrie asked the Secretary of State for Scotland if he has any plans to improve the Peterhead-Aberdeen trunk road at the Hatton village section in view of the potentially dangerous bends; and if he will make a statement.

Mr. Ancram: Improvements are being planned for the section of the A952 immediately to the north-east of Hatton village, including the elimination of the bends. Draft road orders are expected to be published later this year with a view to starting work in about two to three years' time, assuming the satisfactory completion of the statutory procedures and the availability of finance within the trunk road programme.

Domestic Water Supplies

Mr. McTaggart asked the Secretary of State for Scotland (1) if he will supply in the *Official Report* details of the campaigns in *(a)* Scotland and *(b)* Glasgow to eradicate lead domestic water pipes; what was the cost of the work to change these pipes; and how many households were affected;

(2) how many households in *(a)* Scotland and *(b)* Glasgow have had their domestic water supply pipes changed from lead to copper.

Mr. Ancram: Advice on lead in water was sent by the Scottish Health Education Group to every household in Scotland during the period November 1982 to February 1983.

In the period 1982-85 some 63,000 households in Scotland, of which 17,379 were in Glasgow, have had lead domestic water supply pipes replaced at an estimated cost of £25 million. No information is held centrally of the material used to replace lead pipes.

Mr. McTaggart: asked the Secretary of State for Scotland if he will make a statement on the results of the £25 million spent for replacing lead pipes in domestic water supplies in Scotland and the effect of the changes on lead content in water.

Mr. Ancram: The estimated expenditure of about £25 million over the period 1982 to 1985 has resulted in lead plumbing being replaced in about 63,000 houses in the public and private sectors in Scotland. It is expected that, as a result, the level of lead in drinking water in the houses concerned will be reduced to a level not exceeding the current stand of 0·1 mg/l laid down in the EC directive on the quality of water for human consumption.

Asbestos

Mr. Wilson: asked the Secretary of State for Scotland if he will list all local authorities which have replied to the request in Scottish Development Department circular 26/1983 to notify the Department of action taken to identify asbestos used in housing stock; and what remedial action has been taken by local authorities.

Mr. Ancram: Cumnock and Doon, Cumbernauld and Kilsyth, and Nithsdale district councils have so far informed the Department that they have taken action to identify asbestos products in their housing stock. Authorities were not asked to report to the Department the nature of any remdial action they conclude, in consequence, is required to deal with asbestos.

Regional Selective Assistance

Mr. Gordon Brown asked the Secretary of State for Scotland how much has been paid out in regional selective assistance in *(a)* Fife and *(b)* Scotland since the changes announced in November 1984.

Mr. Allan Stewart: In the period 29 November 1984 to end-April 1986, payments of regional selective assistance in Fife and Scotland amounted to £6·1 million and £64·2 million respectively.

Private Hospitals

Mr. Gordon Brown asked the Secretary of State for Scotland (1) if he will conduct an inquiry into the charges and standards of private hospitals in Scotland; and if he will make a statement;

(2) when he expects to issue new regulations on medical procedures and standards to be adopted by private hospitals in Scotland;

(3) if he will introduce legislation to give health boards the power to inspect the charges and standards of private hospitals and to oblige them to issue a yearly report on the operation of such hospitals.

Mr. John MacKay: Health boards are at present empowered to maintain a register of private nursing homes and hospitals and to inspect such establishments at regular intervals to ensure that standards are properly maintained. Boards have the power to cancel registration if the appropriate requirements are not being met. There is no evidence to suggest that boards to not undertake their functions efficiently and effectively. It is proposed, however, to strengthen boards' powers by new regulations to extend the control they may exercise over the conduct of private nursing homes and hospitals, the facilities and services and the production of records. It is not intended to require boards to make a yearly report on the exercise of their powers. The new regulations will be issued shortly in draft form for consultation purposes to health boards and other interested organisations.

Charges levied by private nursing homes and hospitals are solely a matter for the management of such establishments and there are no plans to conduct an inquiry as proposed, or to take powers to regulate these charges.

Business Closures

Mr. Gordon Brown asked the Secretary of State for Scotland how many business closures have been notified to his Department since 1979.

Mr. Allan Stewart: From the beginning of 1980 to the end of March 1986, 1,509 closures affecting 10 or more workers were notified to the Manpower Services Commission as due to occur in Scotland.

Police Surgeons

Mr. Craigen asked the Secretary of State for Scotland what is the number of male and female police surgeons, respectively, presently attached to each police authority in Scotland.

Mr. John MacKay: I understand that the numbers of police surgeons presently employed or retained by each police authority are as follows:

Force	*Male*	*Female*	*Total*
Central	6	—	6
Dumfries and Galloway	1	—	1
Fife	6	—	6
Grampian	4	—	4
Lothian and Borders	11	—	11
Northern*	15	1	16
Strathclyde†	107	3	110
Tayside	32	4	36

* Other doctors are available on a payment per call-out basis.
† The figures for Strathclyde, including the breakdown by sex, are approximate.

I am aware that, in the light of the guidance contained in the circular on the investigation of complaints of sexual assault which my Department issued to chief constables in November 1985, authorities are making efforts to recruit more female police surgeons.

Leith Docks (Radioactive Materials)

Mr. Ron Brown asked the Secretary of State for Scotland what radioactive materials were exported or imported through Leith docks during the past 12 months.

Mr. Moore: I have been asked to reply.

I am informed that no such materials were handled at Leith docks during the last 12 months.

Leukaemia

Mr. Corrie asked the Secretary of State for Scotland if the validation of the cases of leukaemia in 0-24 year olds occurring in Scotland between 1968 and 1981 is now complete; and if he will make a statement.

Mr. Rifkind [*pursuant to his reply*, 15 April 1986, c. *322-4*]: Results are now available of a preliminary study by the Information Services Division of the Common Services Agency into the incidence of leukaemia in Scotland in the 0-24 year age group. This study has been prepared for the public local Inquiry at Dounreay, and is to be made available by the reporter to all the parties to the inquiry. I have arranged for copies to be placed today in the Library of the House.

The report suggests that leukaemia in 0-24 year olds shows no tendency to cluster, other than by chance. However, it identifies three postcode sectors where the incidence of leukaemia is considerably higher than expected—West Thurso, West Central Edinburgh, and South-West Perth and Dunning. It acknowledges that in all three sectors this could have been a chance occurrence. However, because of the existence of a prior hypothesis which links the incidence of leukaemia with proximity to nuclear establishments, and the occurrence of five cases in the west Thurso postcode sector, which includes Dounreay, between 1979 and 1983, the report recommends that case control studies of areas near nuclear power stations be undertaken. I would stress that the two other areas identified in one of the three time bands studied have no links with nuclear establishments. This is furthermore a preliminary study. A fuller report is being prepared. It will be published and made available to the Committee on the Medical Aspects of Radiation in the Environment, which will be asked to advise on the case for and form of further studies.

FOREIGN AND COMMONWEALTH AFFAIRS

Afghanistan

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs what criteria Her Majesty's Government have laid down for diplomatic recognition of the People's Democratic Republic of Afghanistan.

Mr. Eggar: We recognise the state of Afghanistan. We do not have normal Government-to-Government dealings with the current regime.

Data Protection

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Eggar: This Department has submitted eight applications for registration under the Data Protection Act.

One officer is presently employed full time as a data protection co-ordinator, and each department and mission in the Diplomatic Service has a liaison officer appointed to ensure that the eight principles are followed.

New expenditure involved will be approximately £36,500 annually. The total annual cost including the time of existing staff is estimated at £146,000.

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs how many certificates he has signed under section 27 of the Data Protection Act; and if he will describe briefly the subject matter of each.

Mr. Eggar: Certificates under section 27 of the Data Protection Act relate to exemption from the provisions of part II and sections 21 to 24 of part IV of the Act, for the purpose of safeguarding national security. Disclosing details of such certificates would itself not be in the interests of national security.

Horn of Africa

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs if the European Council of Foreign Ministers has discussed the Italian mediation in the Horn of Africa.

Mr. Eggar: Developments in the Horn of Africa are the subject of regular exchanges among the Twelve at official level. The possibility of Italian mediation in the Horn of Africa has not been discussed by the European Council of Ministers.

South Africa

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 3 June, what objectives of Her Majesty's Government's diplomatic policy towards South Africa are served by the continued presence in the United Kingdom of military attaches from South Africa; and what is their current diplomatic status.

Mr. Eggar: As I told the hon. Member on 5 June, the continued presence of the South African military attachés in Britain remains under review. They are members of the diplomatic staff at the South African embassy and are like all foreign diplomats, who are appointed by their Governments for their own representational purposes.

Mr. Stanley Adams

Mr. Cabom asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to whether the European Commission have yet made a final settlement with Mr. Stanley Adams in line with the European Court of Justice judgment in Luxembourg on 7 November 1985; and if he will make a statement.

Mr. Eggar: In its judgment, the court gave the parties nine months in which to reach agreement on a settlement themselves. We understand that Mr. Adams' solicitors have recently supplied details to the Commission to support his claim and that the Commission is now studying them.

Malta

Mr. Hancock asked the Secretary of State for Foreign and Commonwealth Affairs what property is owned by Her Majesty's Government in Malta.

Mr. Eggar: The Foreign and Commonwealth Office owns one house in Malta, the residence of the Deputy High Commissioner. All other Foreign and Commonwealth Office properties in Malta are rented.

TRANSPORT

A38 (Safety Barriers)

Mr. Lawrence asked the Secretary of State for Transport whether he has plans to erect safety barriers on the A38 between Clay Mills and the Branston turn off.

Mr. Peter Bottomley: The existing safety fence on the northbound carriageway of the A38 adjacent to Hurst drive, Stretton, will be extended 100 m northwards. We are reviewing the position elsewhere on the Burton bypass and I will write to my hon. Friend when this is complete.

A6 (Bypass)

Sir Trevor Skeet asked the Secretary of State for Transport when he proposes to bring forward plans for the by-passing of the villages of Clapham and Milton Ernest on the A6 in Bedfordshire; and what is the approximate cost of both schemes.

Mr. Peter Bottomley: A bypass for Clapham was added to the roads programme in 1985 for construction in the period for 1989 onwards. The next step will be to appoint consulting engineers for the scheme following a fee competition announced on 4 June. The scheme is expected to cost about £4·5 million at November 1983 prices. There are no plans for a bypass of Milton Ernest.

Marsh Mills Viaduct, Plymouth

Mr. Steen asked the Secretary of State for Transport what is the estimated cost of repairing the Marsh Mills viaduct at Plymouth.

Mr. Peter Bottomley: About £500,000 has been spent, largely in the last two years, on repairing the viaducts and on associated works.

Mr. Steen asked the Secretary of State for Transport what was the cost of the construction of the Marsh Mills viaduct at Plymouth.

Mr. Peter Bottomley: The construction cost, in 1969-71, was about £1 million.

Mr. Steen asked the Secretary of State for Transport when the Marsh Mills viaduct at Plymouth was built; what is its estimated length of life; whom his Department has commissioned to design the new viaduct; at what cost; and when it is proposed a new viaduct should be constructed.

Mr. Peter Bottomley: The viaducts were opened in 1971. Alkali-aggregate reaction in the concrete has affected the remaining reliable service life which is now expected to be at least five years, perhaps much more. The condition of the structures is being regularly monitored.

The Department has recently commissioned Mott Hay and Anderson, consulting engineers, to design a new viaduct. It is too early yet to give an estimate of its likely cost or the construction timetable.

Dangerous Substances

Mr. Latham asked the Secretary of State for Transport what progress is being made in drafting the proposed new Dangerous Substances (Carriage by Road in Packages Etc.) Regulations; and when he intends to lay them before the House.

Mr. Peter Bottomley: The Health and Safety Commission expects to consider the draft regulations within the next two months. Subject to their acceptance, the proposals will be submitted to my right hon. Friend shortly afterwards. We hope to be able to lay them after the summer recess.

A47 Wardley Hill Improvement, Rutland

Mr. Latham asked the Secretary of State for Transport whether he is now able to give a specific date for the start of the A47 Wardley Hill improvement scheme in the Rutland district of Leicestershire.

Mr. Peter Bottomley: Construction on the A47 Wardley Hill improvement should start in the late autumn, a little ahead of our previous schedule.

Heathrow-Gatwick Helicopter Link

Mr. Watts asked the Secretary of State for Transport whether he intends to issue a direction to the Civil Aviation Authority in respect of the Heathrow to Gatwick helicopter link; and if he will make a statement.

Mr. Moore: My right hon. Friend, the then Secretary of State for Transport, announced on 6 May that he was minded to give a direction to the Civil Aviation Authority so that the helicopter service formerly operated between Heathrow and Gatwick airports by British Caledonian Airways Limited would not be allowed to recommence. Before doing so, however, he would consult the authority as required under section 6(2) of the Civil Aviation Act 1982, and his officials were writing to British Caledonian.

The Civil Aviation Authority had no points to make on the proposal that it be given such a direction. British Caledonian expressed its disappointment, and I have taken careful note of the comments made in its reply. I have also taken note of the other representations that have been received: some in support of the proposed direction and others opposed to it.

Having considered these comments and representations, however, I am of the view that the environmental disturbance caused by the helicopter service cannot be justified when the alternative forms of transport between Heathrow and Gatwick airports are taken into account. I have, therefore, today directed the Civil Aviation Authority not to grant approval for British Caledonian to resume scheduled helicopter flights between Heathrow and Gatwick airports.

Air Traffic Forecasts

Sir Fergus Montgomery asked the Secretary of State for Transport whether his Department has yet completed updated forecasts of air traffic; and when they will be available.

Mr. Moore: I am publishing today my Department's latest air traffic forecasts and have placed a copy of them in the Library of the House.

Public Transport, London

Mr. Tony Banks asked the Secretary of State for Transport if he will deposit in the Library a copy of his Department's publication entitled "Investment in Public Transport in London"; and if he will make a statement.

Mr. David Mitchell: I know of no such departmental publication.

British Rail Engineering

Mr. Snape asked the Secretary of State for Transport pursuant to the statement made by his predecessor on British Rail Engineering on 20 May, *Official Report*, column 188, if he will list in the *Official Report* the number and type of new traction and rolling stock which have entered British Rail's service in the past six years.

Mr. David Mitchell: I understand from British Rail that the following vehicles have entered service during the past six years:

Type	*Number of vehicles*
Locomotives	
Class 56	79
Class 58	41
Class 59	4
Electric Mulitple Units	
Class 314	48
Class 315	244
Class 317	241
Class 507	9
Class 508	301
Class 455	431
HST (125)	350
Diesel Multiple Units	
Class 210	7
Class 140	2
Class 141	40
Class 142	100
Class 143	50
Class 150	6
Class 151	6

Type	Number of vehicles
Class 150/1	100
Loco-Hauled coaches	
MK III Restaurant-Buffets	18
MK III Sleepers	208
MK III B Open 1st	38
Special vehicles	2
Wagons	
Revenue earning	4,442
Service vehicles	1,609
Private-owner wagons	2,705

Falmouth Container Terminal

Mr. Mudd asked the Secretary of State for Transport if, pursuant to his answer of 22 May, *Official Report*, column 247, regarding the desk study on the Falmouth container terminal, he will identify the navigational interests and other bodies with whom consultations are taking place and the source of the independent professional advice being sought by his Department.

Mr. Moore: The following bodies with navigational interests have been consulted by my Department:

Falmouth Harbour Commissioners
Falmouth Docks and Engineering Company
Carrick district council (as harbour authority for Penryn and Truro)
St. Mawes Pier and Harbour Company
Ministry of Agriculture, Fisheries and Food
HM Coastguard, Falmouth

I understand that Falmouth Container Terminal Ltd. sent copies of the desk study to the Duchy of Cornwall and the Nature Conservancy Trust, and we have invited their comments on navigation. The Department also informed Cornwall county council that the desk study had been received.

The Department has received independent professional advice from the Hydrographic Department of the Ministry of Defence.

Road Accident Statistics

Mr. Snape asked the Secretary of State for Transport how many accidents involving heavy goods vehicles have been investigated by his Department inspectors; and if he will publish the detailed conclusions in a similar manner to those published following railway accidents.

Mr. Peter Bottomley: In the period April 1985 to March 1986 the Department's vehicle inspectorate investigated 1,095 accidents involving heavy goods vehicles. The more serious or significant of these (some 30 per cent.) were subjected to detailed analysis. I have no plans to publish detailed conclusions to these investigations.

Railway Stations (Disabled People)

Mr. Cohen asked the Secretary of State for Transport, pursuant to the answer of 15 April, *Official Report*, column *327*, if, when he next meets the chairman of British Rail, he will raise with him the extent to which London boroughs are exploring with British Rail various possibilities for improving disabled passenger facilities at stations in their areas, under section 59 of the London Regional Transport Act 1984; and if he will make a statement.

Mr. David Mitchell: No. This is a matter between the boroughs and the British Railways Board. As I said in my previous reply to the hon. Gentleman, I welcome the fact that British Rail are exploring possibilities with the London boroughs for improving facilities for disabled passengers.

Data Protection Act (Registration)

Mr. Cohen asked the Secretary of State for Transport how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Moore: My Department has made eight registrations under the Data Protection Act 1984. One person has the implementation of the legislation as a significant part of his job description. It is too soon to estimate the cost of conforming with the eight data

Bedford Bypass

Sir Trevor Skeet asked the Secretary of State for Transport when the proposals to lay before the public the route he proposes for bypassing Bedford ; and whether the scheme will make provision for both the A428 and the A6.

Mr. Peter Bottomley: All the options about which the public were consulted in July 1985 provided for relief for both the A428 and the A6. The preferred route will be announced as soon as we have completed our consideration of the responses received.

London Airports (Traffic Distribution)

Mr. Pollock asked the Secretary of State for Transport whether he has received the final advice of the Civil Aviation Authority on the case for changes to the present rules for traffic distribution between the London airports; and if he will make a statement.

Mr. Michael Spicer: Yes. My right hon. Friend will make an announcement in due course.

Nuclear Fuel and Waste Transportation

Mr. Alton asked the Secretary of State for Transport if he can give details of all incidents and accidents involving the transportation of nuclear waste and spent fuel since 1983.

Mr. Moore: No such incidents or accidents in the United Kingdom in which there was any leakage of radioactive material have been reported to me.

A40 (Improvements)

Mr. Squire asked the Secretary of State for Transport when he will issue the draft orders on improvements to the A40 at Western Circus and Gypsy Corner.

Mr. Peter Bottomley: Draft orders for the Western Circus junction improvement were published in November 1985 and January 1986. We hope to publish draft orders for the Gypsy Corner junction improvement later this year.

A406 (Improvements)

Mr. Squire asked the Secretary for Transport (1) when he received the inspector's report on the proposed improvement to the A406, west of Chingford road to Hale End road; and when he will publish his decision;

(2) when he received the inspector's report on the proposed improvements to the A406, Popes lane to Western avenue; and when he will publish his decision;

(3) when he received the inspector's report on the proposed improvement to the A406, Hanger lane to Harrow road; and when he will publish his decision.

Mr. Peter Bottomley: The decisions on these schemes will be taken jointly by my right hon. Friends the Secretaries of State for Transport and for the Environment. The inspector's report for Chingford road to Hale End road was received at the end of February this year: it is hoped to announce the decision during the summer.

The report for Hanger lane to Harrow road was received in spring last year and the decision should be announced very shortly. The report for Popes lane to Western avenue was received last summer. It raised issues which are taking some time to resolve. I cannot yet forecast when the decision will be announced.

PRIME MINISTER

EC (Grants)

Mr. Arnold asked the Prime Minister what steps she takes to monitor the extent to which each Government Department takes up the European Community grants available to it; and what percentage of such grants were taken up in the last year.

The Prime Minister: The Government keep the level of United Kingdom receipts from the Community budget under close scrutiny. In 1985 the United Kingdom received a total of £1,853 million from Community funds. The table below shows the percentage share of United Kingdom receipts from the main funds:

	per cent.
Agricultural Guarantee	9·4
Agricultural Guidance	3·2
European Social Fund (ESF)	30·8
European Development Fund (ERDF)	28·9

There is no fixed entitlement for United Kingdom receipts from Community funds with the exception of the ERDF which in 1985 had commitment quota ranges of 21·42-28·56 per cent. Twenty-six per cent. was allocated to the United Kingdom from the ERDF in 1985.

Radiation

Mr. Speller asked the Prime Minister, pursuant to the answer of 8 May, *Official Report*, column *216*, what advisory literature is already available detailing precautions specifically designed for the person and the home in case of radioactive fallout over the United Kingdom.

The Prime Minister: Two booklets are currently available: "Domestic Nuclear Shelters" and "Domestic Nuclear Shelters—Technical Guidance".

Data Protection

Mr. Cohen asked the Prime Minister how many certificates she has signed under section 27 of the Data Protection Act; and if she will describe briefly the subject matter of each.

The Prime Minister: Certificates under section 27 of the Data Protection Act relate to exemption from the provisions of part II and sections 21 to 24 of part IV of the Act, for the purpose of safeguarding national security. Disclosing details of such certificates would itself not be in the interests of national security.

Nuclear Power Stations

Lord James Douglas-Hamilton asked the Prime Minister whether she will make it her policy to seek an international accord for minimum safety standards at all nuclear power stations, leading to the eventual creation of an international inspectorate.

The Prime Minister: The statement made at the Tokyo summit meeting emphasised that each country engaged in nuclear power generation bears full responsibility for the safety of its installations. In recent discussions in the international Atomic Energy Agency there has already been agreement on the need to consider means of improving co-operation in the field of nuclear safety; the ideas mentioned by my hon. Friend are among those which will be considered.

Dog Licences

Mr. Dover asked the Prime Minister if she will make a statement on the co-ordination of Her Majesty's Government's policy towards dog licences between the Secretaries of State for Northern Ireland and the Environment.

The Prime Minister: The dog licensing arrangements in Northern Ireland are a factor which the Government are taking into account in considering future arrangements in Great Britain. The nature of dog nuisance in Northern Ireland is more serious than in other parts of the United Kingdom and measures taken in the former are not necessarily appropriate to the latter.

Quangos

Mr. Kaufman asked the Prime Minister, pursuant to her answer of 23 May to the honourable Member for Dundee, West (Mr. Ross) on quangos, *Official Report*, column 351, if she will state, out of the 756 quangos which she listed as having been abolished, rationalised or substantially reduced, how many of those which had been reduced are still in existence; what form the rationalisation took in the relevant cases; of those which were rationalised how many are still in existence; how many of the 756 were completely abolished; and how many of the 756 still exist.

The Prime Minister: I will reply to the right hon. Gentleman shortly.

TRADE AND INDUSTRY

British Shipbuilders

Dr. Godman asked the Secretary of State for Trade and Industry how many people were employed by British Shipbuilders in *(a)* Greenock and Port Glasgow and *(b)* Strathclyde for each year since 1979.

Mr. Peter Morrison: I will reply to the hon. Member as soon as possible.

South African Gold Coins

Mr. Tony Banks asked the Secretary of State for Trade and Industry, pursuant to his reply of 23 May, *Official Report*, column *364*, how he intends to implement the prohibition of the importation of South African gold coins; and if he will make a statement.

Mr. Alan Clark: The prohibition on the importation of South African gold coins announced by my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs on 23 May in column 327 has been implemented by amendment to the open general import licence granted under the Import of Goods (Control) Order 1954.

Spain and Portugal (Car Manufacturing)

Mr. Hoyle asked the Secretary of State for Trade and Industry what steps are being taken to extend to Spain and Portugal the voluntary agreement on cars reached with Japan.

Mr. Peter Morrison: On their accession to the Community, Spain and Portugal sought and obtained the Community's authority to continue their quantitative restrictions on the import of Japanese vehicles which had existed prior to accession.

Limited Companies (Interest-free Loans)

Mr. Wallace asked the Secretary of State for Trade and Industry if he will list the interest-free loans made by nationalised industries within his departmental responsibility to limited companies which were outstanding on *(a)* 31 March 1985, *(b)* 31 March 1986 and *(c)* 31 May 1986.

Mr. Butcher: This is a matter for the board of the nationalised industries concerned.

Private Consumer Contracts

Mr. Williams asked the Secretary of State for Trade and Industry whether he takes steps to monitor compliance by insurers with the terms of their codes of conduct for private consumer contracts.

Mr. Howard: Monitoring of compliance with the terms of the statements of insurance practice is in the first instance a matter for the Association of British Insurers and Lloyd's. My Department does, however, take careful note of any complaints either received direct from members of the public or reported from other sources.

Private Hospitals (Fees and Charges)

Mr. Gordon Brown asked the Secretary of State for Trade and Industry if he will make an order under section 5 of the Prices Act 1974 compelling private hospitals to display their fees and their charges; and if he will make a statement.

Mr. Howard: The relevant powers are in section 4 of the Act, as amended, but I have no plans to make an order for this purpose. I am not satisfied that such a measure would be justified, nor, in view of the wide range of services and treatments provided, that it would be practicable.

Comprehensive Bank Guarantee (Open Account) Scheme

Mr. Gould asked the Secretary of State for Trade and Industry if he will provide a detailed breakdown of the £80 million loss incurred under the Comprehensive Bank Guarantee (Open Account) scheme.

Mr. Alan Clark: For reasons of commercial confidentiality, it is established practice that the Export Credits Guarantee Department does not make public details of particular transactions it supports. However, losses under the Comprehensive Bank Guarantee (Open Account) scheme are not of the order of magnitude stated.

Mr. Gould asked the Secretary of State for Trade and Industry if he will publish the details of the agreement reached in or after 1983 between the Export Credits Guarantee Department and the London and Scottish clearing banks on money paid to the banks under the Comprehensive Bank Guarantee (Open Account) Scheme.

Mr. Alan Clark: There has been no general agreement reached between ECGD and the London and Scottish clearing banks on the Comprehensive Bank Guarantee (Open Account) in the period quoted.

Mr. Gould asked the Secretary of State for Trade and Industry what guidance he has given to banks operating the Comprehensive Bank Guarantee (Open Account) scheme, on which accounts money to be received by the exporters is to be paid into.

Mr. Alan Clark: None. This is a matter between the exporter and his bank.

Export Credits

Mr. Gould asked the Secretary of State for Trade and Industry pursuant to the answer of 6 May, *Official Report*, column *25*, if he has now received a letter from the European Economic Community Commission's directorate for competition about allegations that the Export Credits Guarantee Department breach of the European Economic Community rules about export credit; and if he will make a statement.

Mr. Alan Clark: I have not reveived a letter on this particular topic. Since my reply of 6 May the Commission has written to all EC member states to inquire about their current practice in relation to the possibility of interest rate subsidies in support of exports to the EC via other countries. The information requested will be provided.

Electric Lawnmowers

Mr. Spencer asked the Secretary of State for Trade and Industry (1) what information he has on the number of people injured or killed each year while using domestic electric lawnmowers;

(2) if he will introduce legislation requiring manufacturers to fit all new electric lawnmowers with safety circuit breakers.

Mr. Howard: I will reply to my hon. Friend as soon as possible.

Safety of Goods

Mr. Pike asked the Secretary of State for Trade and Industry whether he proposes to introduce legislation to implement a general duty to sell safe goods, as proposed in his White Paper on the safety of goods.

Mr. Howard: Yes. We propose to introduce a general safety duty as soon as the legislative programme permits.

Auditors (Financial Services Sector)

Mr. Yeo asked the Secretary of State for Trade and Industry what representations he has received concerning the role of auditors in the financial services sector; and if he will make a statement.

Mr. Howard: The work of the supervisory authorities in the financial services sector will be aided if they can develop a relationship with the auditors of authorised businesses. Such a contribution should not involve auditors fulfilling a supervisory role on the regulator's behalf and should not undermine the close relationship which should exist between an auditor and his client. I intend to bring forward amendments to the Financial Services Bill which will seek no facilitate communications between auditor and supervisor, and contribute to the development of an effective relationship between them.

The amendments will enable regulations to be made requiring all authorised persons to appoint an "auditor", whose duties and rights of access to paper and other documents will be defined in the regulations.

The Bill already enables rules to be made requiring accounts and other information submitted to a supervisor by an investment business to be reported on by the auditor of that business. An amendment will be brought forward to enable the supervisor to require a further report to be made by a separate independent accountant, if he is dissatisfied with the initial report.

I have given especially careful consideration to the definition of those circumstances in which an auditor should be expected to report on his own initiative to a supervisor.

In the light of this consideration and of the many representations which I have received from the profession, I have concluded that there should be no general duty placed on auditors in the Bill to report to supervisors. The particular circumstances in which a report should be made need to be carefully defined. I believe that this is best achieved by professional guidance and I look to the professional accountancy bodies, in consultation with the supervisors, to draw up such guidance. But an amendment to the Bill will be brought forward to give the Secretary of State a reserve power to lay down rules obliging auditors to report in certain circumstances to the supervisors. Such a power would be invoked only if suitable professional guidance was not issued. I would not propose that this power would be transferable to a designated agency.

A further amendment will be proposed to provide that no duty which an auditor owes to a company or firm should prevent him from giving information to a supervisor. The auditor will accordingly not be liable for loss suffered as a result of such a report if made in good faith. Nor will he be liable for defamation as such reports would automatically attract qualified privilege.

It will also be proposed that a supervisor should be able to disclose information about a client to its auditor if such disclosure would enable or assist the supervisor to carry out his duties.

I understand that my right hon. Friend the Chancellor of the Exchequer is considering the introduction of parallel measures for banks, as described in the White Paper on banking supervision, Cmnd. 9695, and for building societies.

Financial Services Bill

Mr. Nelson asked the Secretary of State for Trade and Industry whether he has received representations concerning the provisions of the Financial Services Bill relating to recognised professional bodies; and if he will make a statement.

Mr. Howard: I have received a number of representations from interested parties on this subject.

As a result I have concluded that the Bill should be amended so as to confer authorisation to carry on investment business on corporate practices, partnerships or members of recognised professional bodies practising the profession on their own account. A business will be authorised for the purposes of the Bill if it holds an appropriate certificate issued by the body concerned. This provision will replace that now included in the Bill which confers automatic authorisation on individual members of recognised bodies.

It is the intention that recognised professional bodies should only supervise investment business which is incidental to the practice of the profession concerned. It will be a condition of recognition that a body satisfies the Secretary of State or designated agency that it has arrangements for ensuring that certificates are issued only to businesses whose main business is the practice of the relevant profession. Recognised professional bodies will also be required to have rules limiting the kinds of investment business which may be carried on and the circumstances in which such business is to be regarded as carried on in the course of practising the profession. This requirement will be in addition to the existing requirement in the Bill to have and enforce rules which provide a level of investor protection at least equivalent to that provided by rules under chapter V of part I of the Bill.

I have also decided that in the light of the limited kind and scale of investment business which will be regulated by recognised professional bodies it will not be necessary to give the Secretary of State or designated agency a power to change their rules, as I am proposing in the case of recognised self-regulating organisations. The Secretary of State or designated agency will, however, be able to apply to the courts for a compliance order if any of the recognition requirements are not complied with, as is currently provided for in the case of recognised self-regulating organisations by clause 12 of the Bill.

On the same grounds I have decided that it would not be appropriate to extend to recognised professional bodies the same immunity from suit for damages as I shall be proposing for recognised self-regulating organisations.

British Steel Corporation

Mr. Clay asked the Secretary of State for Trade and Industry how many people were employed by the British Steel Corporation in the northern region for each year since 1979.

Mr. Peter Morrison [*pursuant to his reply*, 3 June 1986, c. *409*]: Defining the northern region as Northumberland, Tyne and Wear, Cleveland, Durham, and Cumbria, the following table gives the number employed there by BSC at end-September in each of the years since 1979:

	Number
1979	35,800
1980	28,950
1981	20,450
1982	15,250
1983	11,910
1984	10,880
1985	9,920

These figures have been supplied by BSC. The reduction in numbers is due to the need for the industry to reach the productivity levels necessary to remain competitive. A number of jobs have also been returned to the private sector as BSC has decided that certain companies, in particular Redpath Dorman Long, can resume operations in the private sector.

Regional Aid

Mr. Clay asked the Secretary of State for Trade and Industry what proportion of the total of regional development grants has been paid to firms in the northern region in each year since 1979.

Mr. Peter Morrison [*pursuant to his reply*, 3 June 1986, c. *409*]: The information requested is

Year	*Percentage*
1979	35
1980	24
1981	25
1982	22
1983	18
1984	22
1985	19

Mr. Fallon asked the Secretary of State for Trade and Industry how much has been spent in regional aid in the northern region since 1983; and how many jobs are estimated to have been *(a)* created or *(b)* preserved.

Mr. Peter Morrison [*pursuant to this reply*, 3 June 1986, c. *406*]: Between April 1983 and March 1986, £303·9 million in regional aid—regional selective assistance and old-and new-style regional development grants — was paid to companies in the northern region. An estimated 28,100 jobs were expected to be created and 10,300 jobs preserved as a result of payments of new-style RDGs and offers of RSA made in this period. Since old-style RDGs are not linked to the creation or preservation of jobs no estimate is available of the effect on employment of payments under that scheme.

Printing Industry

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what information he has on the production and employment trends in the United Kingdom printing industry; and if he will make a statement.

Mr. Peter Morrison [*pursuant to his reply*, 3 June 1986, c. *406*]: The production and employment figures for the printing and publishing industries — group 475 of the Standard Industrial Classification, 1980—are as follows:

	Index of production (1980 = 100)	*Great Britain employment ('000s)*
1981	95·4	349
1982	92·7	344
1983	92·2	340
1984	97·5	340
1985	*101·5	*347

* provisional.

I am pleased to note that the industry is sharing in the recovery in output shown by United Kingdom industry in recent years.

OVERSEAS DEVELOPMENT

Rain Forests

Mr. Freeson asked the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to influence international aid and trade organisations to promote the sustainable development and protection of tropical rain forests.

Mr. Raison: We have made it clear to all concerned that we support the wise use and regeneration of tropical forests, and have accepted the Food and Agriculture Organisation's tropical forestry action plan as a framework of our actions. We welcome requests from aid recipient countries for help in the forestry sector, and try to meet them in both our bilateral programmes and the work of the multilateral institutions of which we are part.

Indonesia

Mr. Freeson asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will review United Kingdom financial and other support for Indonesia's transmigration programme in the light of its effect on the rain forests of Indonesia's outer isles and the indigenous people living there;

(2) how much has been contributed by Her Majesty's Government *(a)* directly or *(b)* through international institutions, to Indonesia's transmigration programme to date;

(3) what assessment his Department made of the environmental and cultural impact of Indonesia's transmigration programme on the rain forests of Indonesia's outer isles and the indigenous people living there.

Mr. Raison: The Government do not give direct financial or other support through bilateral or multilateral channels to the Indonesian transmigration programme. The land resources development centre of the Overseas Development Administration has been retained by the World Bank to advise on the selection of sites and use of land within the programme, and has thus been able to help minimise adverse effects on the environment and the indigenous population. My Department has not made an

independent assessment of the impact of the programme, but information about it is widely available from other sources.

Mr. Freeson asked the Secretary of State for Foreign and Commonwealth Affairs if he will raise the question of the impact of Indonesia's transmigration programme on the rain forests of Indonesia's outer isles and the indigenous people living there at the next meeting of the intergovernmental group on Indonesia in The Hague on 18 and 19 June; and if he will make a statement.

Mr. Raison: The intergovernmental group on Indonesia reviews Indonesia's economic prospects and external financial needs. Its meetings are not the right place for detailed discussion of particular projects.

Mr. Freeson asked the Secretary of State for Foreign and Commonwealth Affairs what environmental and cultural policy guidelines govern project lending by the World Bank and the intergovernmental group on Indonesia.

Mr. Raison: The World Bank has published a number of documents on its approach to environmental matters. I shall sent the right hon. Member a copy of "Environmental Policies and Procedures of the World Bank" which summarises the principles behind bank guidelines and other related material.

Forestry

Mr. Freeson asked the Secretary of State for Foreign and Commonwealth Affairs if he will provide an updated list of projects to encourage sustainable forestry in those countries which are aided by the Commonwealth Development Corporation and the Overseas Development Administration; and if he will give details of the financial sums involved.

Mr. Raison: The list is as follows:

Current projects to encourage sustainable forestry aided by the Commonwealth Development Corporation and the Overseas Development Administration

COMMONWEALTH DEVELOPMENT CORPORATION

1. Fiji—Pine Commission plantation £4,167,000
2. Ivory Coast—Hardwood Plantations £13,800,000
3. Jamaica—Forest Industries plantations £5,700,000
4. Swaziland—Shiselweni and Usutu forest plantations £6,593,000
5. Tanzania—Tanganyika Wattle Company plantations £326,000
6. Zambia—Forest and Forest industries plantations £1,100,000

OVERSEAS DEVELOPMENT ADMINISTRATION

7. Bangladesh—Research on bamboo pathology (total cost figure not available)
8. Belize—Forest utilisation advice £150,000
9. Cameroon—Forestry education and training £225,000
10. Central America—Forest tree breeding and conservation £285,000
11. Ghana—Forest Inventory £900,000
12. Honduras—Advice on pine forest protection and regeneration, and on tropical forest management £240,000
13. India—(i) Karnataka Social Forestry Project £15,030,000
    (ii) Mysore Paper Mills Reafforstation Project £10,330,000
14. Jamaica—Advice on forest plantations and forestry training £400,000
15. Kenya—Embu-Meru-Isiolo Reafforstation Project £1,283,000
16. Lesotho—Forest Woodlots Project £2,109,000
17. Nepal—Forestry Research Project £2,557,000
18. Solomon Islands—(i) Reafforestation Research Project £600,000
    (ii) Advice on forest management and utilisation £600,000
19. Somalia—(i) Forestry education and training £1,348,000
    (ii) Forestry inventory £247,000
20. Sudan—Forestry component of Northern Region Irrigation Rehabilitation Project £242,000
21. Vanuatu—Reafforestation Project £1,760,000
22. Yemen Arab Republic—Dhaman Agricultural and Forestry Research and Development Project (Forestry component cost not available separately)

In addition, the Overseas Development Administration spends about £500,000 a year on forestry research projects which have global or regional significance.

Developing Countries

Mr. Robert Banks asked the Secretary of State for Foreign and Commonwealth Affairs how many British consultants are employed by his Department to assist in work in the developing countries.

Mr. Raison: The information requested is not readily available. In 1985 the ODA engaged British consultancy firms to undertake 155 new contracts in order to provide services financed from technical co-operation funds and the aid and trade provision. This excludes certain small contracts (less than £30,000) and contracts provided under capital aid.

Aid Programme

Mr. Faulds asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the instances since 1979 in the overseas aid programme of cancellation of contribution on grounds of abuse of human rights in the country concerned.

Mr. Raison: I refer the hon. Member to the answer I gave him on 18 March 1986 at column *121*.

South Africa

Mr. John Carlisle asked the Secretary of State for Foreign and Commonwealth Affairs what offers of assistance have been made by Her Majesty's ambassador in South Africa to those who have been made homeless from the squatter's camp in Cape Town, South Africa.

Mr. Raison: £10,000 has been given to the South African Red Cross for the purchase of 5,000 blankets for the homeless in the Crossroads township.

Afghanistan

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs if he will list all organisations receiving financial assistance from Her Majesty's Government for each year since 1979 in connection with activities concerning Afghanistan; and what were the amounts involved.

Mr. Raison: The information is as follows:

	£
1979-80	
None	
1980-81	
United Nations High Commissioner for Refugees	2,683,000
Afghan Support Committee	20,000
Save the Children Fund	3,000
1981-82	
United Nations High Commissioner for Refugees	4,507,000
Government of Pakistan	2,500,000
Save the Children Fund	8,000
1982-83	
United Nations High Commissioner for Refugees	4,917,000
Save the Children Fund	65,000
Afghan Support Committee	65,000
International Committee of the Red Cross	60,000
League of Red Cross Societies	40,000
1983-84	
United Nations High Commissioner for Refugees	5,926,000
International Committee of the Red Cross	350,000
League of Red Cross Societies	305,000
Afghan Support Committee	60,000
Save the Children Fund	56,000
British Red Cross	50,000
Cristian Aid	7,000
Oxfam	7,000
1984-85	
United Nations High Commissioner for Refugees	3,000,000
International Committee of the Red Cross	400,000
League of Red Cross Societies	275,000
Save the Children Fund	75,000
Afghaid	50,000
Catholic Fund for Overseas Development	20,000
Afghan Support Committee	9,500
1985-86	
United Nations High Commissioner for Refugees	3,200,000
International Committee of the Red Cross	525,000
League of Red Cross Societies	250,000
Afghanaid	67,000
Afghan Support Committee	35,000
Ockenden Venture	20,000
1986-87	
None to date	

In addition, the British share of European Community food aid for Afghan refugees has amounted to some £10 million and of European Community relief aid to some £5·5 million.

ENERGY

Nuclear Materials

Mr. Chris Smith asked the Secretary of State for Energy if he will make a statement on the impact of the Chernobyl nuclear accident on the international convention on the security of nuclear materials.

Mr. Goodlad: Her Majesty's Government continue to favour the early entry into force of the convention on the physical security of nuclear materials.

Mr. D. E. Thomas asked the Secretary of State for Energy if, further to his answer of 3 June, *Official Report*, column *467*, he will give further details of discussions between his Department and the Central Electricity Generating Board in 1986 on *(a)* plutonium and *b)* the safeguarding of nuclear material generated in the Central Electricity Generating Board's nuclear reactors, against diversion to military use; which of his Department's officials were involved; and on which dates.

Mr. Goodlad: I have nothing to add to my answer of 3 June 1986 at column *467*.

Nuclear Power Stations (Electricity Generation)

Mr. Penhaligon asked the Secretary of State for Engery if he will list for each of Calder Hall, Chapelcross, Berkeley, Bradwell, Dungeness 'A', Hinkley Point 'A', Hunterston 'A', Oldbury-on-Severn, Sizewell 'A' and Trawsfynydd the electricity generated during a recent convenient year, and the percentage of the total electricity board's output this represents.

Mr. Goodlad: The information for 1984-85 is as follows:

Station	*Electricity generated (Gwh)*
Calder Hall	1,703·5
Chapelcross	1,723·1
Berkeley	936·7
Bradwell	1,996·4
Dungeness 'A'	3,065·3
Hinckley 'A'	4,108·7
Hunterston 'A'	2,535·9
Oldbury-on-Severn	3,296·9
Sizewell	2,539·9
Trawsfynydd	3,460·3
Total	25,366·7

Source: Electricity Supply Handbook 1986.

Calder Hall and Chapelcross, which are operated by British Nuclear Fuels, provided electricity to the public supply system equivalent to 1·3 per cent. of the electricity boards' generation in 1984-85. The CEGB and the Scottish electricity boards advise that the remaining stations represented 8·3 per cent. of their generation in 1984-85.

Data Protection

Mr. Cohen asked the Secretary of State for Energy how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Peter Walker: As I informed the hon. Member for Yeovil (Mr. Ashdown) on 22 May, at column *253*, my Department has submitted six applications for registration under the Act. Implementing the Act is a significant part of the job of only one of my officials. Conforming with the first six of the data protection principles and the eighth will not involve extra costs since these embrace existing good computing practice. In advance of any experience of the number of inquiries made in a given period by individuals about personal information which may be held on my Department's computers, it is not possible to give an estimate of the costs likely to be incurred in complying with the seventh principle.

Parking Fines

Mr. Tony Banks asked the Secretary of State for Energy, pursuant to his reply of 3 June, if he will explain

how an official car meeting a Minister at Heathrow airport returning from an official engagement in 1985 incurred a parking ticket.

Mr. Peter Walker: Unfortunately, for reasons of security, it is not always possible for ministerial cars to wait only in approved parking areas if these are some distance from an arrival point. On this occasion the car, with its driver in attendance, was waiting briefly on a double yellow line.

Mr. Tony Banks asked the Secretary of State for Energy, pursuant to his reply of 3 June, what was the nature of the official gift purchased in Knightsbridge in 1985 which led to a parking ticket being issued; where was the gift purchased; who purchased it; how much it cost; which Minister presented it; and to whom.

Mr. Peter Walker: No gift was purchased in Knightsbridge, since an appropriate item could not be found at an acceptable price. The gift being looked for was for presentation by my right hon. Friend the Minister of State to the operators of the Argyll field to commemorate the tenth anniversary of North sea oil production.

Magnox Reactors

Mr. Ashdown asked the Secretary of State for Energy if he will make it his policy to ensure that all documents relating to the 20-year safety reviews of Magnox nuclear reactors will be published in full; and if he will make a statement.

Mr. Goodlad: I shall reply to the hon. Member as soon as possible.

Energy Conservation

Mr. Rost asked the Secretary of State for Energy when he intends to publish the conclusions of his further examination of whether investment in energy conservation will offer a better rate of return to the Exchequer than investment in energy supply, following the commitment given in paragraph 87 of his Department's memorandum to the Sizewell inquiry, number DEN/S/3 (N.E.).

Mr. David Hunt: As I stated in paragraph 61 of the Government's response to the eighth report from the Select Committee on Energy — Session 1984-85 — this question is regularly addressed by my Department. I have no plans to publish a report on the matter.

Carbon Fibre Fishing Rods

Mr. Maclennan asked the Secretary of State for Energy what is his policy towards the action of certain fishing tackle manufacturers in affixing electrical danger symbol warning stickers to carbon fibre rods; whether he has had any discussions with representatives of the manufacturers to secure the wider use of such stickers; and what information he has on the number and extent of personal injuries sustained by anglers in the last seven years where carbon fibre fishing rods have come into contact with high tension power lines and electricity cables.

Mr. Goodlad: The Government have not approached fishing tackle manufacturers on the use of warning stickers on carbon fibre rods, although I am pleased that some manufacturers do use that method of alerting anglers to the dangers when using carbon fibre rods near overhead lines. The Electricity Council and area boards, with Government encouragement, have mounted extensive publicity campaigns by means of the angling press, posters and a film, and the water authorities take steps to warn anglers using fishing waters where there may be a risk.

Over the seven years to 1985-86 my Department was notified of five injuries and one death which had resulted from contact between carbon fibre fishing rods and overhead lines. The injuries have generally consisted of burns to the hands and feet.

British Coal (Financial Limits)

Mr. Heddle asked the Secretary of State for Energy if he will make a statement on the National Coal Board's financial limits for the current year.

Mr. Peter Walker: The NCB's recovery during 1985-86 following the NUM dispute put the board on a firmer foundation at the start of 1986-87. Lower oil prices have increased the competitive pressure on the industry. Nevertheless, I can confirm that the NCB's external financing limit for 1986-87 is £730 million, the same as the provisional figure in the 1986 public expenditure White Paper. The board's capital approval for 1986-87 is £650 million.

Nuclear Industry

Mr. D. E. Thomas asked the Secretary of State for Energy on how many occasions Her Majesty's Government have informed *(a)* the European Commission and *(b)* the International Atomic Energy Agency that safeguarded plutonium had been withdrawn from safeguards under the article 14 provisions of the 1978 tripartite safeguards treaty (Cmnd. 6730).

Mr. Goodlad [*pursuant to the reply*, 3 June 1986, c. *466*]: Fifty three notifications of withdrawal have been made to the Euratom and IAEA safeguards authorities since article 14 came into force.

DEFENCE

Nuclear Weapon Tests

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he will make it his policy to invite Soviet General Secretary Gorbachev to share with Her Majesty's Government Soviet technology designed to detect, identify and quantify nuclear weapon tests; and if he will make a statement.

Mr. Lee: Detection, identification and quantification of underground nuclear explosions must be based on seismology. However, Her Majesty's Government firmly believe that seismic methods are currently incapable of adequate detection and identification of nuclear explosions. Despite Soviet claims on the adequacy of its own seismic monitoring stations, we do not believe that Soviet techniques are demonstrably superior to those of the West. Consequently there seems little reason to believe that a technical bilateral exchange would lead to real progress in resolving Her Majesty's Government's concerns over verification. We regret that the Soviet Union has been dismissive of the recent United States offer to discuss a technique relevant to the verification of the threshold test ban treaty and peaceful nuclear explosions treaty.

Government-funded research in this field is proceeding and the results are made openly available to the international community. A United Kingdom paper was presented to the conference on disarmament in Geneva in July 1985. The United Kingdom also plays an active part in the work of the ad hoc group of scientific experts at the United Nations.

MCV 80 Vehicle

Mr. Best asked the Secretary of State for Defence which companies were asked to tender for the transmission system of the MCV 80 vehicle; if any preference was given to United Kingdom companies; and if he will make a statement.

Mr. Lee: The transmission system for MCV 80 armoured vehicle is one of several main assemblies being provided under subcontracts to the MOD's prime contractor, GKN Defence Industries. The system is an American design from Detroit Diesel Allison manufactured under licence in the United Kingdom by Perkins Engines. Perkins, which is responsible to GKN as the design authority for the complete MCV 80 power pack —engine plus transmission—selected the DDA design competitively, evaluating it against designs proposed by British industry. Criteria for the avaluation were the degree of technical confidence in the ability of each design to meet a rigorous performance specification against a tight timescale, and competitive pricing. The Perkins recommendation in favour of the DDA design was endorsed by GKN as part of its prime contractor responsibility. Production of the transmission system is now well under way.

Trident (Faslane Base)

Mr. Dewar asked the Secretary of State for Defence if the expenditure on jetties, roads and other infrastructure to be incurred by the Property Services Agency at the Faslane base is included in his estimates for the cost of the Trident programme.

Mr. Lee: Capital expenditure of this nature at the Clyde submarine base attributable to the Trident programme is included within the overall cost estimate of £9,869 million for the Trident programme.

Dartmoor Steering Group

Sir Peter Mills asked the Secretary of State for Defence if he has received the annual report of the Dartmoor Steering Group for 1985; and if he will make a statement.

Mr. Freeman: Yes. A copy of the report has today been placed in the Library. The steering group provides a valuable forum for the discussion of contentious issues relating to the military use of Dartmoor. My right hon. Friend the Secretary of State for the Environment and I are grateful to the members of the steering group and particularly its chairman, Sir Peter Stallard, for their efforts to reconcile the various conflicting interests.

RNAY Fleetlands

Mr. Denzil Davies asked the Secretary of State for Defence what are the financial reasons for the proposed putting out to contract of support facilities at RNAY Fleetlands.

Mr. Freeman: To achieve any financial savings that may be possible.

Mr. Denzil Davies asked the Secretary of State for Defence what will be the effect of the proposed reduction, by putting out to contract, of support services at RNAY Fleetlands on the unit costs of the rest of the establishment.

Mr. Freeman: The unit costs of the establishment's output will be reduced, if there are reductions in the costs of support services.

Mr. Denzil Davies asked the Secretary of State for Defence what percentage of the budget of RNAY Fleetlands is spent on the purchase of spares; and what percentage is spent on labour costs.

Mr. Freeman: About 65 per cent. of the current budget represents the cost of direct material, including new equipment as well as spares. The latter cannot easily be identified separately. Staff costs are about 20 per cent. of the budget.

Mr. Denzil Davies asked the Secretary of State for Defence what studies have been carried out into whether financial savings could be obtained at RNAY Fleetlands by employing more staff on repair and maintenance and so reducing the cost of purchase of new spare parts.

Mr. Freeman: The staff numbers required and the costs of spare parts are kept under regular review. Actions are in hand to increase the number of staff engaged on the yard's core tasks by 20 in the current year, and to implement consultancy recommendations on means of reducing the spares bill.

Official Gifts

Mr. Tony Banks asked the Secretary of State for Defence how much was spent by his Department on official gifts for visiting dignitaries, or for presentation by Ministers in each of the past five years.

Mr. Lee: The way in which our accounts are kept means that it is not possible for us to differentiate between the sums spent on official gifts presented to foreign dignitaries who visit the United Kingdom and on gifts made by Ministers and senior officers and officials from MOD to their hosts when they are themselves travelling abroad.

The tables, therefore, cover both categories. The figures for Ministers—table 2—are included in the totals in table 1.

Table 1: Total MOD expenditure on official gifts

Year	£
1981-82	7,496
1982-83	8,564
1983-84	14,223
1984-85	13,994
1985-86	*10,222

Table 2: Expenditure on official gifts presented by Ministers

Year	£
1981-82	2,449
1982-83	686
1983-84	1,527
1984-85	2,199
1985-86	1,711

* The return for non-ministerial gifts in 1985-86 are not yet complete, so that the figure shown understates the total expenditure in that year.

Lance Corporal Simon Cockton

Mr. Dalyell asked the Secretary of State for Defence what evidence has now led his Department to conclude that the helicopter carrying Lance Corporal Simon Cockton was shot down by a missile fired from the destroyer HMS Cardiff during the Falklands war; to what extent and in what specific respects this evidence was available to the Army coroner in November 1982; and if he will make a statement.

Mr. Stanley: I will answer shortly.

SALT II

Mr. Wallace asked the Secretary of State for Defence, whether he intends to meet the United States Defence Secretary to discuss the future of the SALT II agreement.

Mr. Stanley: My right hon. Friend expects to meet Mr. Weinberger again shortly to discuss a range of defence-related issues.

Royal Dockyards

Mr. Gordon Brown asked the Secretary of State for Defence if he has consulted the European Commission about the compatibility with Community law of his proposal to bring in commercial managers to the royal dockyards; and if he will make a statement.

Mr. Lee: The Government are confident that the Dockyard Services Bill, which is designed to give effect to its plans to introduce commercial management to the royal dockyards, is compatible with European Community law.

Type 23 Frigate

Mr. Frank Field asked the Secretary of State for Defence (1) by what means he will judge whether Swan Hunter is offering a competitive price for building the second type 23 boat;

(2) if the competitiveness of Swan Hunter's bid for the second type 23 will be judged against the bids he received from other yards competing for each of the third, fourth and fifth boat of this class.

Mr. Lee: The best and final tenders—which we have just received—in the competition for follow-on type 23 frigate orders will produce the basis of price and contract terms and conditions against which the single tender from Swan Hunter for type 23-02 will be evaluated.

Asbestos Removal

Mr. Hawksley asked the Secretary of State for Defence if the normal security clearance requirements for contract workers in a military establishment are being applied to workers on the contract to remove asbestos at building A. 1, COD Donnington.

Mr. Lee: A re-roofing contract which will include the removal of asbestos has been let for building F1 at Donnington. Work is expected to start shortly, and the normal security clearance requirements will apply to the contractor's work force. No contract has been let for building A1.

RAOC Central Depots

Mr. Hawksley asked the Secretary of State for Defence what costings his Department made of the effect of implementation of the contracting-out of administrative functions at Royal Army Ordnance Corp's central depots; and if he will publish them.

Mr. Lee: No costings have yet been made. Feasibility studies at each of the affected depots must first be carried out to enable us to draw up specifications on the basis of which tenders can be issued. When tenders have been obtained and evaluated, their content will be "Commercial in Confidence" as is our usual practice. The details will not therefore be released; however, the evaluation will take proper account of the then current in-house costs, for comparison.

RN Ships (Defence)

Mr. Denzil Davies asked the Secretary of State for Defence whether action has been taken to improve the electronic defence and close-in weapons systems which protect Royal Navy ships from attack in the light of the attack on HMS Sheffield on 4 May 1982.

Mr. Stanley: Yes. I refer the right hon. Gentleman to "The Falklands Campaign: The Lessons", Cmnd. 8758—paragraphs 229, 230, 308 and 309—and the Statement on the Defence Estimates 1985, Cmnd. 9430-1—paragraph 438.

Mr. Denzil Davies asked the Secretary of State for Defence whether, in the light of the events of 4 May 1982, and the sinking of HMS Sheffield, his Department has updated the procedures which govern communications activity in war zones.

Mr. Stanley: A number of improvements have been, and are being, made in equipment and operating practices.

Mr. Denzil Davies asked the Secretary of State for Defence whether action has been taken to improve the effectiveness of the Royal Navy's on board radar systems, in view of the fact that the aircraft which sank HMS Sheffield on 4 May 1982, had not been detected by the ship's radar.

Mr. Stanley: The difficulties encountered during the Falklands conflict in dealing with the threat of air attack on ships are being remedied by improvements to ship-borne surveillance, air warning, and tracker radar systems. Since one of the task force's greatest handicaps was the lack of airborne early warning, each of the operational carriers now carries a flight of Sea King AEW helicopters.

Mr. Denzil Davies asked the Secretary of State for defence what, during the Falklands conflict, was the nature of the communication between HMS Sheffield and Fleet HQ Northwood, at the time of the attack on 4 May 1982; and why it was necessary to undertake such communication when the ship's duties placed it under direct threat.

Mr. Stanley: It is often necessary for ships of a force to communicate with each other to ensure co-ordination of the various facets of an operation. The particular communication concerned was an urgent tactical signal to another ship in the task group which was outside the range of reliable line of sight communications. The threat was not judged to be such as to preclude a communication of this sort.

Mr. Denzil Davies asked the Secretary of State for Defence if he will make a statement about the events leading up to, and circumstances of, the attack upon HMS Sheffield on 4 May 1982.

Mr. Stanley: The attack on HMS Sheffield took place at about 1100 hours—1400 hours GMT—on 4 May 1982. At the time of the attack she was the south-westerly of three type 42 destroyers forming an air defence screen some 18 miles west of the main body of the task force.

Signs of the attack were first detected by HMS Glasgow—another of the three pickets—but, since this was the first experience of an Argentine airborne Exocet attack the aircraft's tactics, in particular flying in very low under radar cover thus giving only fleeting opportunities for detection, were not fully appreciated by all the ships concerned. There had also been spurious radar contacts on previous days. As a result, there was some doubt as to the validity of the contacts.

HMS Sheffield herself did not pick up the same warning signals on her electronic support measures (ESM) equipment because of interference from the SCOT—satellite communications transmitter — then being operated, or initially on her surveillance radar. By the time she appreciated the threat it was too late to respond. In the absence of airborne early warning, only a very few minutes were available between the first detection by HMS Glasgow and missile impact.

Defence Export Services Organisation

Mr. Wallace asked the Secretary of State for Defence if the Defence Export Services Organisation has a different remit and structure from the Defence Sales Organisation; and if he will make a statement.

Mr. Lee: No. The Defence Sales Organisation was renamed the Defence Export Services Organisation last year more accurately to reflect its role.

Central Ordnance Depots

Mr. Corbett asked the Secretary of State for Defence how many industrial and non-industrial Civil Service jobs, listed by grade, would be lost under proposals to put out to contract work at the Central Ordnance Depot, Bicester.

Mr. Freeman: A recent feasibility study identified a total of 250 posts which could be affected by our proposals for contracting-out administrative functions at Central Ordnance Depot Bicester. However, until a full implementation study — which also embraces the associated garrison — has been completed, details of precise numbers and grades will not be available.

Mr. Corbett asked the Secretary of State for Defence how many industrial and non-industrial Civil Service jobs at the Central Ordnance Depot, Donnington, listed by grade, are involved in proposals to put out to contract work presently done by their occupants.

Mr. Freeman: It is our intention to conduct a feasibility study into contractorisation of administrative functions at COD Donnington and its associated garrison. An assessment of the areas suitable for contractorisation and the overall numbers likely to be affected will not be known until that study is completed.

Mr. Corbett asked the Secretary of State for Defence when he expects the report on proposals to put out to contract industrial and non-industrial Civil Service jobs at the Central Ordnance Depot, Donnington, to be completed.

Mr. Freeman: We expect the feasibility study on contracting-out of administrative functions at COD Donnington to be complete by November 1986, and to embark on the normal consultations shortly thereafter.

Cruise Missiles

Mr. Meadowcroft asked the Secretary of State for Defence at what dates each consignment of cruise missiles arrived at USAF Greenham Common.

Mr. Stanley: My right hon. Friend the previous Secretary of State for Defence announced that the first cruise missiles had arrived on 14 November 1983. He also stated on 17 January 1984 that details of the timing of further deliveries would not be announced. It has been our practice to set out the updated situation in the annual Statement on the Defence Estimates.

HMS Otter

Mr. Gordon Brown asked the Secretary of State for Defence if he will make a statement on the repairs required on HMS Otter; where these repairs are to be done; and what is the estimated cost of these repairs.

Mr. Lee: HMS Otter is currently undergoing refit at Humber Shiprepairers. A replacement engine frame supplied to the refitting yard under arrangements with my Department and fitted into the submarine has proved defective; no responsibility for this defect rests with Humber Shiprepairers. It will be necessary to remove this

frame and fit a further replacement. This work is being undertaken in the refitting yard. The cost of this work, for which a firm price has been agreed, is commercially confidential.

Devonport Dockyard

Mr. Gordon Brown asked the Secretary of State for Defence if he will make a statement on the reasons given to him by the Trafalgar House company for its decision not to tender for the management contract at Devonport dockyard.

Mr. Lee: It is not for my Department to comment on the commercial judgment of any company.

Departmental Houses

Mr. Hancock asked the Secretary of State for Defence if he has any further plans to release to local authorities empty homes owned by his Department; and if he will make a statement.

Mr. Freeman: Where circumstances permit, it is MOD policy to offer houses which are likely to be vacant for periods of at least six months to local authorities on the condition that the authority undertakes to return the properties with vacant possession at the end of the term of letting.

Mr. Hancock asked the Secretary of State for Defence how many evictions from property owned by his Department in Fareham have been pursued following marriage break-ups or death of spouse employed by the Royal Navy in the last year.

Mr. Freeman: During the year 1 June 1985 to 31 May 1986 no such evictions were pursued.

Mr. Hancock asked the Secretary of State for Defence how many evictions from property owned by his Department in Gosport have been pursued following marriage break-ups or death of spouse employed by the Royal Navy in the last year.

Mr. Freeman: During the year 1 June 1986 to 31 May 1986 one warrant for the eviction of an estranged wife was obtained. However, eviction was not necessary as the person was rehoused by the Portsmouth city council. No evictions were pursued following the death of a spouse.

Mr. Hancock asked the Secretary of State for Defence how many evictions from property owned by his Department in Portsmouth have been pursued following marriage break-ups or death of spouses employed by the Royal Navy in the last year.

Mr. Freeman: During the year 1 June 1985 to 31 May 1986 two warrants for the eviction of estranged wives were obtained. However, in both cases eviction was not necessary as the persons were rehoused by the Portsmouth city council. No evictions were pursued following the death of a spouse.

Mr. Hancock asked the Secretary of State for Defence (1) how many houses owned by his Department in Portsmouth are occupied by non-service households;

(2) how many houses owned by his Department in Gosport are occupied by non-service households;

(3) how many houses owned by his Department in Fareham are occupied by non-service households.

Mr. Freeman: On 31 March, the most recent date for which details are readily available, there were 289 service-MOD houses in the Portsmouth-Fareham-Gosport area occupied by non-service households. As these three areas are treated as one for administrative reasons, only an overall answer is possible.

Mr. Hancock asked the Secretary of State for Defence (1) how many houses owned by his Department are currently empty in Portsmouth;

(2) how many houses owned by his Department are currently empty in Gosport;

(3) how many houses owned by his Department are currently empty in Fareham.

Mr. Freeman: On 31 March 1986, the most recent date for which details are readily available, there were 728 service-MOD houses empty in the Portsmouth-Gosport-Fareham area. As these three areas are treated as one for administrative reasons, only an overall answer is possible.

WALES

Homelessness

9. **Mr. Anderson** asked the Secretary of State for Wales what measures he proposes to seek to reduce the number of Welsh households accommodated by local councils in bed and breakfast hotels.

Mr. Mark Robinson: It is for local housing authorities to decide how to use the resources available to them but the Government's code of guidance recommends that local authorities place homeless people in bed and breakfast accommodation only as a last resort for as short a period as possible.

NHS Staffing

12. **Mr. Terlezki** asked the Secretary of State for Wales by how much the nursing staff, doctors, ancillary staff and after-care staff within the National Health Service has been increased in Cardiff and Cardiff West in particular since 1979; and if he will make a statement.

Mr. Mark Robinson: Figures are not available in the form requested, but in the South Glamorgan health authority between 1979 and 1985, front line staff including nurses and doctors have increased by 12·1 per cent. while other hospital staff, including ancillary staff, have increased by 4·6 per cent.

Health Authorities (Savings)

16. **Mr Gwilym Jones** asked the Secretary of State for Wales what savings will accrue to each of the health authorities in Wales from *(a)* the fall in the rate of inflation and *(b)* the fall in the cost of energy; and if he will make a statement.

Mr. Mark Robinson: It is not possible to provide definitive figures in the form requested.

Educational Resources

17. **Sir Anthony Meyer** asked the Secretary of State for Wales what consultations he has had with local education authorities in Wales regarding the allocation of educational resources.

Mr. Wyn Roberts: My right hon. Friend has had consultations relating to the allocation of resources for local authority services, including education, with the Welsh Consultative Council on Local Government Finance. There have also been consultations with the Welsh Counties Committee and the Welsh Joint Education Committee.

Severn Barrage

18. **Sir Raymond Gower** asked the Secretary of State for Wales what representations he has received about the implications for the Welsh economy and employment in Wales of a Severn barrage; and if he will make a statement.

Mr. Nicholas Edwards: I have received a small number of representations on this aspect of the Severn barrage proposal. The report of the Severn tidal power group is being considered by the Government and a response will be made in due course by my right hon. Friend the Secretary of State for Energy.

Labour Statistics

Mr. D. E. Thomas asked the Secretary of State for Wales how many unemployed persons were registered at the local employment offices of Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: Consistent figures of claimant unemployment by local employment office areas are available only between October 1982 and August 1985. The figures for January 1983 to 1985 are given in the following tables.

Total Unemployed

Employment Office Area	*January 1983*	*January 1984*	*January 1985*
Aberdare	4,021	4,183	4,318
Abergavenny	1,377	1,303	1,364
Abertillery	1,731	1,419	1,529
Aberystwyth	1,303	1,222	1,394
Amlwch	995	738	818
Ammanford	756	612	637
Bangor	1,632	1,569	1,826
Bargoed	1,577	1,618	1,618
Barmouth	524	537	726
Barry	3,922	3,796	3,853
Beaumaris	623	697	726
Blackwood	1,699	1,622	1,690
Blaenau Ffestiniog	407	401	445
Blaenavon	493	371	440
Brecon	626	714	831
Bridgend	4,381	4,188	4,305
Brynmawr	1,396	1,153	1,237
Caernarfon	1,966	1,864	2,044
Caerphilly	3,480	3,591	3,762
Cardiff	18,577	18,852	20,091
Cardigan	699	743	854
Carmarthen	1,175	1,191	1,543
Cefnmawr	1,054	1,093	1,050
Chepstow	1,530	1,318	1,574
Colwyn Bay	1,909	2,063	2,342
Conwy	908	954	1,074
Cwmbran	2,865	2,985	3,165
Cymmer	603	614	576
Denbigh	730	725	862
Ebbw Vale	2,239	1,945	1,870
Ferndale	1,461	1,514	1,534
Fishguard	408	380	482
Flint	1,643	1,481	1,423
Garnant	974	925	949
Gorseinon	2,238	2,177	2,383
Haverfordwest	2,248	2,276	2,539
Holyhead	2,243	2,029	2,114
Holywell	1,499	1,551	1,656
Kidwelly	530	419	509
Lampeter	634	669	774
Llandeilo	442	457	578
Llandrindod Wells	945	1,005	1,148
Llandudno	1,175	1,177	1,335
Llandyssul	685	818	999
Llanelli	3,973	3,282	3,655
Llangefni	686	1,056	1,203
Llangollen	725	749	812
Llantrisant	751	733	849
Llantwit Major	881	957	1,058
Llanrwst	383	371	422
Machynlleth and Tywyn	508	502	599
Maesteg	1,680	1,564	1,572
Merthyr Tydfil	3,617	3,415	3,547
Milford Haven	2,013	1,975	1,889
Mold	2,743	2,363	2,408
Monmouth	714	686	691
Morriston	3,338	3,311	3,365
Neath	3,833	3,507	3,813
Newbridge	1,096	922	1,037
Newport (Gwent)	9,882	9,670	10,160
Newtown	1,081	1,072	1,079
Pembroke Dock	1,951	1,575	1,793
Penarth	1,701	1,735	1,867
Penygroes	514	489	578
Pontardawe	798	709	771
Pontlottyn	1,421	1,559	1,544
Pontypool	2,911	2,549	2,633
Pontypridd	4,150	4,306	4,535
Port Talbot	5,468	4,817	4,603
Porthcawl	933	923	928
Porthmadoc	760	668	641
Pwllheli	910	928	1,079
Resolven	678	627	763
Rhyl	4,197	4,166	4,452
Risca	1,729	1,198	1,247
Shotton	3,410	3,115	3,073
Swansea	10,128	10,342	11,187
Tenby	957	1,039	1,089
Tonypandy	2,566	2,614	2,612
Tonyrefail	1,112	1,109	1,155
Tredegar	1,296	1,184	1,161
Treharris	743	768	789
Treorchy	1,556	1,433	1,527
Tumble	714	625	794
Welshpool	972	878	1,024
Wrexham	7,603	6,875	6,922
Ystradgynlais	606	674	875
Ystrad Mynach	653	708	741
Total	180,664	174,707	185,529

Source: NOMIS

Figures after April 1983 reflect the effects of the 1983 Budget provisions for some men aged 60 and over who no longer have to sign on at an unemployment benefit office.

Mr. D. E. Thomas asked the Secretary of State for Wales how many people were unemployed in each district authority area in Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: Consistent figures of unemployment for districts in the new ward-based series are available only from June 1983. The figures for January 1984 to 1986 are shown in the following table.

Total unemployment

District	*January 1984*	*January 1985*	*January 1986*
Alyn and Deeside	4,588	4,634	4,517
Colwyn	2,358	2,719	2,954
Delyn	4,577	4,543	4,793
Glyndwr	1,651	1,795	1,849
Rhuddlan	3,685	3,987	4,300
Wrexham Maelor	7,411	7,433	7,373
Carmarthen	1,983	2,512	2,564
Ceredigion	2,731	3,207	3,567
Dinefwr	1,820	1,961	2,054
Llanelli	4,153	4,694	4,756
Preseli Pembrokeshire	4,573	4,862	5,118
South Pembrokeshire	2,852	3,152	3,466
Blaenau Gwent	5,841	5,993	6,232
Islwyn	3,555	3,732	4,357
Monmouth	3,245	3,549	3,671
Newport	9,777	10,276	10,234
Torfaen	5,712	6,058	6,224
Aberconwy	2,618	2,945	2,903
Arfon	3,749	4,225	4,273
Dwyfor	1,509	1,696	1,730
Meirionnydd	1,607	1,875	1,946
Ynys Mon—Isle of Anglesey	4,580	4,948	5,347
Cynon Valley	4,443	4,596	4,772
Merthyr Tydfil	3,979	4,119	4,178
Ogwr	7,929	8,000	8,740
Rhondda	5,533	5,649	5,572
Rhymney Valley	7,693	7,903	8,055
Taff-Ely	5,526	5,874	5,880
Brecknock	1,462	1,760	1,889
Montgomeryshire	2,111	2,302	2,302
Radnor	867	972	997
Cardiff	19,109	20,259	20,442
Vale of Glamorgan	6,592	6,876	6,906
Afan (now Port Talbot)	4,171	3,972	3,868
Llw Valley	3,356	3,669	3,461
Neath	4,173	4,609	4,788
Swansea	13,555	14,496	14,290

Source: NOMIS.

Mr. D. E. Thomas asked the Secretary of State for Wales how many people have been unemployed for *(a)* up to six months, *(b)* between six months and one year, *(c)* between one year and two years, *(d)* between two years and three years and *(e)* over three years in each of the parliamentary constituencies in Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: Consistent figures of unemployment for parliamentary constituencies in the new ward-based series are available only from June 1983. The figures for January 1984 to 1986 are shown in the following tables:

	Up to 6 months	*Six months to 1 year*	*One year to 2 years*	*Two to 3 years*	*Over 3 years*
January 1984					
Alyn and Deeside	1,991	865	883	529	661
Clwyd North West	2,537	833	785	332	379
Clwyd South West	1,609	651	672	344	464
Delyn	2,388	880	967	609	700
Wrexham	2,024	857	929	476	905
Carmarthen	1,746	604	560	206	269
Ceredigion and Pembroke North	1,748	636	541	222	274
Llanelli	2,080	753	889	382	467
Pembroke	3,727	952	1,115	500	441
Blaenau Gwent	2,009	947	1,201	644	820
Islwyn	1,646	640	562	312	395
Monmouth	1,489	580	604	292	358
Newport East	1,942	971	945	473	748
Newport West	2,024	968	981	514	746
Torfaen	2,144	900	1,048	536	691
Caernarfon	1,979	552	559	300	355
Conwy	2,090	639	492	231	259
Meirionnydd Nant Conwy	1,233	286	283	98	127
Ynys Môn	2,013	738	828	426	575
Bridgend	2,059	813	697	348	390
Caerphilly	2,400	981	1,036	586	938
Cynon Valley	1,835	781	787	497	543
Merthyr Tydfil and Rhymney	2,087	905	1,133	719	887
Ogmore	1,813	797	787	445	549
Pontypridd	2,049	903	779	437	589
Rhondda	2,308	961	976	546	742
Brecon and Radnor	1,231	414	328	182	174
Montgomery	1,100	366	310	180	155
Cardiff Central	2,443	1,150	1,028	511	632
Cardiff North	1,127	508	464	192	300
Cardiff South and Penarth	2,339	1,185	1,127	592	764
Cardiff West	2,324	1,067	1,149	613	783
Vale of Glamorgan	2,543	934	993	426	417
Aberavon	2,194	887	1,005	565	564
Gower	1,776	641	668	329	302
Neath	1,924	764	737	419	399
Swansea East	2,386	1,112	1,300	673	830
Swansea West	1,924	764	737	419	399
January 1985					
Alyn and Deeside	2,038	903	759	440	828
Clwyd North West	2,764	867	824	422	534

	Up to 6 months	Six months to 1 year	One year to 2 years	Two to 3 years	Over 3 years
Clwyd South West	1,769	629	609	360	590
Delyn	2,458	827	855	516	925
Wrexham	2,084	776	827	497	1,010
Carmarthen	1,888	800	681	308	358
Ceredigion and Pembroke North	2,070	720	634	280	367
Llanelli	2,276	903	816	494	643
Pembroke	3,602	1,115	1,142	618	673
Blaenau Gwent	2,090	975	907	649	1,110
Islwyn	1,680	716	570	269	497
Monmouth	1,645	620	496	298	487
Newport East	2,084	961	937	507	926
Newport West	2,223	888	921	529	961
Torfaen	2,395	943	844	571	909
Caernarfon	2,166	635	579	323	480
Conwy	2,198	741	650	258	351
Meirionnydd Nant Conwy	1,357	374	329	134	166
Ynys Môn	2,100	831	833	463	721
Bridgend	1,859	787	683	343	504
Caerphilly	2,413	1,042	1,022	537	1,171
Cynon Valley	1,685	802	861	447	801
Merthyr Tydfil and Rhymney	1,991	929	1,009	664	1,244
Ogmore	1,740	906	808	456	748
Pontypridd	2,027	916	903	431	763
Rhondda	2,247	820	1,096	578	908
Brecon and Radnor	1,376	530	383	176	267
Montgomery	1,159	401	346	148	248
Cardiff Central	2,594	1,151	1,184	603	915
Cardiff North	1,226	478	485	250	389
Cardiff South and Penarth	2,296	996	1,111	597	1,008
Cardiff West	2,324	1,103	1,182	693	1,065
Vale of Glamorgan	2,572	907	891	525	590
Aberavon	2,137	819	861	502	793
Gower	1,812	695	637	348	443
Neath	2,061	914	788	374	593
Swansea East	2,472	1,091	1,132	720	1,108
Swansea West	2,367	1,139	1,169	683	1,088
January 1986					
Alyn and Deeside	2,057	834	700	342	886
Clwyd North West	2,746	1,014	1,024	417	677
Clwyd South West	1,739	686	601	323	674
Delyn	2,734	907	800	402	1,051
Wrexham	2,183	758	709	414	1,108
Carmarthen	1,976	679	680	363	487
Ceredigion and Pembroke North	2,156	803	733	334	509
Llanelli	2,374	787	772	432	824
Pembroke	3,625	1,266	1,192	589	944
Blaenau Gwent	2,630	800	794	461	1,313
Islwyn	2,152	671	622	307	605
Monmouth	1,665	607	543	254	617
Newport East	2,007	832	860	477	981
Newport West	2,299	963	920	485	1,100
Torfaen	2,457	827	926	461	1,082
Caernarfon	2,065	658	669	321	584
Conwy	2,117	642	628	322	449
Meirionnydd Nant Conwy	1,328	359	352	153	205
Ynys Môn	2,266	860	801	454	906
Bridgend	2,036	728	640	304	612
Caerphilly	2,462	1,016	985	567	1,356
Cynon Valley	1,986	615	718	486	967
Merthyr Tydfil and Rhymney	2,063	875	917	556	1,436
Ogmore	2,483	757	772	436	874
Pontypridd	2,013	788	823	466	888
Rhondda	2,187	795	920	582	1,088
Brecon and Radnor	1,463	486	427	179	331
Montgomery	1,142	396	339	152	273
Cardiff Central	2,525	1,135	1,063	631	1,131
Cardiff North	1,308	448	404	232	447
Cardiff South and Penarth	2,300	966	972	609	1,183
Cardiff West	2,278	1,029	1,068	686	1,311
Vale of Glamorgan	2,698	887	814	421	802
Aberavon	2,494	668	672	363	838
Gower	1,691	668	586	307	572
Neath	2,313	747	752	349	684
Swansea East	2,210	901	1,138	601	1,381
Swansea West	2,261	1,007	1,181	689	1,334

Source: NOMIS

Mr. D. E. Thomas asked the Secretary of State for Wales how many people were unemployed in each travel-to-work area in Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: Consistent figures of unemployment for travel-to-work areas in the new ward-based series are available only from June 1983. The figures for January 1984 to 1986 are shown in the following table.

Total unemployed

Travel-to-work area	*January 1984*	*January 1985*	*January 1986*
Aberdare	3,923	4,067	4,230
Aberystwyth	1,171	1,356	1,465
Bangor and Caernarfon	4,707	5,295	5,399
Blaenau Gwent and Abergavenny	7,097	7,291	7,537
Brecon	738	864	919
Bridgend	84,960	9,081	9,896
Cardiff	28,242	29,881	30,239
Cardigan	1,369	1,586	1,750
Carmathen	1,283	1,657	1,744
Conwy and Colwyn	4,376	4,964	5,099
Denbigh	1,091	1,253	1,287
Dolgellau and Barmouth	614	737	765
Fishguard	505	669	762
Haverfordwest	3,817	3,908	4,042
Holyhead	3,663	3,939	4,295
Lampeter and Aberaeron	932	1,115	1,198
Llandeilo	394	485	514
Llandrindod Wells	991	1,121	1,151
Llanelli	5,568	6,193	6,310
Machynlleth	518	598	658
Merthyr and Rhymney	10,613	10,886	11,424
Monmouth	622	645	716
Neath and Port Talbot	8,344	8,581	8,656
Newport	12,329	13,173	13,300
Newtown	1,086	1,151	1,092
Pontypool and Cwmbran	5,979	6,330	6,533
Pontypridd and Rhondda	11,256	11,712	11,603
Porthmadoc and Ffestiniog	1,049	1,136	1,157
Pwllheli	1,069	1,230	1,216
Shotton, Flint and Rhyl	13,153	13,530	14,008
South Pembrokeshire	2,852	3,152	3,466
Swansea	17,555	18,997	18,626
Welshpool	850	960	1,016
Wrexham	8,268	8,309	8,295

Source: NOMIS

Mr. D. E. Thomas asked the Secretary of State for Wales what was *(a)* the total number of unemployed, *(b)* the number of females unemployed and *(c)* the number of males unemployed in each of the parliamentary constituencies of Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: Consistent figures of unemployment for parliamentary constituencies in the new ward-based series are available only from June 1983. The figures for January 1984 to 1986 are shown in the following tables.

(a) Total Unemployed

Parliamentary Constituency	*January 1984*	*January 1985*	*January 1986*
Alyn and Deeside	4,929	4,968	4,819
Clwyd North West	4,866	5,411	5,878
Clwyd South West	3,740	3,957	4,023
Delyn	5,544	5,581	5,894
Wrexham	5,191	5,194	5,172
Carmarthen	3,385	4,035	4,185
Ceredigion and Pembroke North	3,421	4,071	4,535
Llanelli	4,571	5,132	5,189
Pembroke	6,735	7,150	7,616
Blaenau Gwent	5,621	5,731	5,998
Islwyn	3,555	3,732	4,357
Monmouth	3,323	3,546	3,686
Newport East	5,079	5,415	5,157
Newport West	5,233	5,522	5,767
Torfaen	5,319	5,662	5,753
Caernarfon	3,745	4,183	4,297
Conwy	3,711	4,198	4,158
Meirionnydd Nant Conwy	2,027	2,360	2,397
Ynys Môn	4,580	4,948	5,347
Bridgend	4,307	4,176	4,320
Caerphilly	5,941	6,185	6,386
Cynon Valley	4,443	4,596	4,772
Methyr Tydfil and Rhymney	5,731	5,837	5,847
Ogmore	4,391	4,658	5,322
Pontypridd	4,757	5,040	4,978
Rhondda	5,533	5,649	5,572
Brecon and Radnor	2,329	2,732	2,886
Montgomery	2,111	2,302	2,302
Cardiff Central	5,764	6,447	6,485
Cardiff North	2,591	2,828	2,839
Cardiff South and Penarth	6,007	6,008	6,030
Cardiff West	5,936	6,367	6,372
Vale of Glamorgan	5,313	5,485	5,622
Aberavon	5,215	5,112	5,035
Gower	3,716	3,935	3,824
Neath	4,243	4,730	4,845
Swansea East	6,301	6,523	6,231
Swansea West	5,780	6,446	6,472

Source: NOMIS

(b) Female unemployed

Parliamentary constituency	*January 1984*	*January 1985*	*January 1986*
Alyn and Deeside	1,500	1,612	1,525
Clwyd North West	1,594	1,732	1,868
Clwyd South West	1,173	1,288	1,299
Delyn	1,697	1,791	1,839
Wrexham	1,536	1,604	1,574
Carmarthen	1,051	1,276	5,373
Ceredigion and Pembroke North	1,066	1,320	1,424
Llanelli	1,409	1,534	1,714
Pembroke	1,926	2,115	2,269
Blaenau Gwent	1,562	1,502	1,629
Islwyn	1,093	1,083	1,287
Monmouth	1,137	1,179	1,262
Newport East	1,353	1,472	1,433
Newport West	1,368	1,502	1,646
Torfaen	1,672	1,639	1,823
Caernarfon	1,050	1,192	1,196
Conwy	1,055	1,278	1,231
Meirionnydd Nant Conwy	737	824	852
Ynys Môn	1,336	1,433	1,626
Bridgend	1,310	1,297	1,348
Caerphilly	1,608	1,634	1,651
Cynon Valley	1,302	1,257	1,238
Merthyr Tydfil and Rhymney	1,468	1,506	1,497
Ogmore	1,187	1,227	1,238
Pontypridd	1,437	1,436	1,398
Rhondda	1,574	1,519	1,482

Parliamentary constituency	January 1984	January 1985	January 1986
Brecon and Radnor	818	978	999
Montgomery	594	727	764
Cardiff Central	1,575	1,901	1,850
Cardiff North	711	788	852
Cardiff South and Penarth	1,422	1,463	1,402
Cardiff West	1,396	1,530	1,541
Vale of Glamorgan	1,527	1,692	1,762
Aberavon	1,446	1,397	1,406
Gower	1,234	1,256	1,270
Neath	1,398	1,618	1,584
Swansea East	1,492	1,639	1,570
Swansea West	1,474	1,724	1,742
TOTAL	50,288	53,915	55,464

Source: NOMIS.

(c) Male Unemployed

	January 1984	January 1985	January 1986
Alyn and Deeside	3,429	3,356	3,294
Clwyd North West	3,272	3,679	4,010
Clwyd South West	2,567	2,719	2,724
Delyn	3,847	3,790	4,055
Wrexham	3,655	3,590	3,598
Carmarthen	2,334	2,759	2,812
Ceredigion and Pembroke North	2,355	2,751	3,111
Llanelli	3,162	3,598	3,475
Pembroke	4,809	5,035	5,347
Blaenau Gwent	4,059	4,229	4,369
Islwyn	2,462	2,649	3,070
Monmouth	2,186	2,367	2,424
Newport East	3,726	3,943	3,724
Newport West	3,865	4,020	4,121
Torfaen	3,647	4,023	3,930
Caernarfon	2,695	2,991	3,101
Conwy	2,656	2,920	2,927
Meirionnydd Nant Conwy	1,290	1,536	1,545
Ynys Môn	3,244	3,515	3,721
Bridgend	2,997	2,879	2,972
Caerphilly	4,333	4,551	4,735
Cynon Valley	3,141	3,339	3,534
Merthyr Tydfil and Rhymney	4,263	4,331	4,350
Ogmore	3,204	3,431	4,084
Pontypridd	3,320	3,604	3,580
Rhondda	3,959	4,130	4,090
Brecon and Radnor	1,511	1,754	1,887
Montgomery	1,517	1,575	1,538
Cardiff Central	4,189	4,546	4,635
Cardiff North	1,880	2,040	1,987
Cardiff South and Penarth	4,585	4,545	4,628
Cardiff West	4,540	4,837	4,831
Vale of Glamorgan	3,786	3,793	3,860
Aberavon	3,769	3,715	3,629
Gower	2,482	2,679	2,554
Neath	2,845	3,112	3,261
Swansea East	4,809	4,884	4,661
Swansea West	4,306	4,722	4,730
Total	124,696	131,937	134,904

Source: NOMIS.

Mr. D. E. Thomas asked the Secretary of State for Wales what percentage of the population of working age in each of the parliamentary constituencies of Wales was unemployed in January; and what were the corresponding figures for each January since 1979.

Mr. Nicholas Edwards: This information is not available for individual constituencies.

Government Training Schemes

Mr. D. E. Thomas asked the Secretary of State for Wales (1) how many young people in each parliamentary constituency in Wales are currently engaged on Manpower Services Commission/YTS schemes;

(2) how many people in each parliamentary constituency in Wales are at present engaged on Manpower Services Commission schemes.

Mr. Wyn Roberts: This information is not available for individual constituencies.

Radiotherapy Services

Mr. Gareth Wardell asked the Secretary of State for Wales if he will make it his policy to publish the review into the provision of radiotherapy services at Singleton hospital, Swansea and Velindre hospital, Cardiff when the review team have completed their work.

Mr. Mark Robinson: The review of the centrally funded radiotherapy services at Velindre and Singleton hospitals is an internal matter being undertaken to ensure that appropriate levels of service are provided. It is not proposed to publish a report.

Benefit Claimants

Mr. D. E. Thomas asked the Secretary of State for Wales how many school leavers under 18 years old were claiming unemployment benefit, supplementary benefit or national insurance credits at unemployment benefit offices in each parliamentary constituency in Wales in January; and what were the corresponding figures for each January since 1979.

Mr. Wyn Roberts: Consistent figures of unemployment for parliamentary constituencies in the new ward-based series are available only from June 1983. The figures for January 1984 to 1986 are shown in the following table.

Unemployed school leavers under 18 years old

Parliamentary constituency	January 1984	January 1985	January 1986
Alyn and Deeside	213	192	159
Clwyd North West	163	160	223
Clwyd South West	178	160	146
Delyn	190	174	170
Wrexham	248	248	213
Carmarthen	115	126	136
Ceredigion and Pembroke North	92	109	114
Llanelli	163	116	154
Pembroke	208	211	211
Blaenau Gwent	256	271	275
Islwyn	142	135	116
Monmouth	150	132	124
Newport East	194	189	176
Newport West	198	213	233
Torfaen	184	166	177
Caernarfon	85	75	85
Conwy	83	84	92
Meirionnydd Nant Conwy	46	75	58
Ynys Môn	128	179	197
Bridgend	157	110	114
Caerphilly	197	255	277
Cynon Valley	208	154	119

Parliamentary constituency	January 1984	January 1985	January 1986
Merthyr Tydfil and Rhymney	296	272	285
Ogmore	165	166	187
Pontypridd	220	234	219
Rhondda	303	339	250
Brecon and Radnor	85	70	74
Montgomery	50	51	43
Cardiff Central	172	203	160
Cardiff North	94	91	98
Cardiff South and Penarth	186	204	174
Cardiff West	236	258	197
Vale of Glamorgan	143	158	158
Aberavon	207	202	219
Gower	141	127	137
Neath	175	208	216
Swansea East	233	234	207
Swansea West	239	220	212

Source: NOMIS

General Certificate of Secondary Education

Sir Raymond Gower asked the Secretary of State for Wales what will be the extent of extra resources promised to facilitate the introduction of the general certificate of secondary education examination in Wales.

Mr. Wyn Roberts: Considerable resources have already been made available, but the Government have undertaken to examine, as a matter of priority, the case for some additional resources.

Sir Raymond Gower asked the Secretary of State for Wales how many representations he has received concerning the introduction of the general certificate of secondary education in Wales; and if he will make a statement.

Mr. Wyn Roberts: Representations have been received from 18 Members of Parliament, three county councils, one local education authority, the Local Authorities Committee of the WJEC, the Assistant Masters' and Mistresses' Association, two county groups of secondary headteachers, two county branches of the National Association of Schoolmasters/Union of Women Teachers, the governing bodies of 23 county secondary schools, 3 federations of parent teacher associations, 13 individual parent teachers associations, 14 heads of school departments, five teachers, one school governor, three school associations, one teachers' organisation, one school parents' association, the Welsh SDP Conference, one constituency party, the PAT (Wales) Committee and 165 individuals, all requesting postponement.

Teachers' Dispute

Sir Raymond Gower asked the Secretary of State for Wales if he will make a statement concerning the outcome of the negotiations in connection with the teachers' dispute, insofar as education in Wales is concerned.

Mr. Wyn Roberts: A 5½ per cent. pay rise for 1986-87 for teachers in England and Wales was agreed at the Burnham Primary and Secondary Committee on 9 May. The agreement was reached on the understanding that it would not prejudice the eventual outcome of the talks which are taking place, with the help of ACAS, about a revised pay structure and conditions of service for teachers. As an integral part of the 9 May agreement all of the teachers' unions involved in the dispute agreed to end the disruption of work in the schools.

NATIONAL FINANCE

Civil Servants (Briefcases)

Mr. Hayward asked the Chancellor of the Exchequer what is *(a)* the current cost of each type of standard security case provided to civil servants and *(b)* the annual cost of providing such cases over each of the last five years.

Mr. Brooke: *(a)* Four types of case are provided at prices ranging from £65 to £106 depending on the degree of security required.

(b) Her Majesty's Stationery Office estimates the annual costs at:

	£
1981-82	48,100
1982-83	56,500
1983-84	68,600
1984-85	100,800
1985-86	77,900

(c) These figures include the cost of the security locks which I regret were not included in the answer given to my hon. Friend's question on 9 May. If the cost of the locks had been included, those figures would have been approximately:

	£
1981-82	96,000
1982-83	132,000
1983-84	152,000
1984-85	180,000
1985-86	186,000

Mr. Hayward asked the Chancellor of the Exchequer what factors account for the rise in the annual cost of providing civil servants with briefcases *(a)* between 1981-82 and 1982-83 and *(b)* between 1984-85 and 1985-86.

Mr. Brooke: There is no central record of any factors leading to a real growth in demand. However, the prices paid for the cases under Her Majesty's Stationery Office contracts increased between 12 and 16 per cent. between 1981-82 and 1982-83, and between 2 and 15 per cent. between 1984-85 and 1985-86.

Mr. Hayward asked the Chancellor of the Exchequer if he will review the security standard and quality of briefcases and security cases provided to civil servants.

Mr. Brooke: All products offered by Her Majesty's Stationery Office are regularly reviewed to ensure that they continue to provide the best value for money in the light of technical developments and other factors.

Pensions

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his estimate of the saving after five years, 10 years, 20 and 40 years of phasing out the entitlement to receive lump sums free of tax in occupational pension schemes after the current financial year, taxing at standard rate thereafter the element accruing in respect of future service.

Mr. Norman Lamont: The yield would depend on assumptions made about the amounts of lump sums which will be paid over the next 40 years, changes in the basic rate of income tax and the formula used to calculate the proportions of lump sum which would have accrued in respect of service after April 1987. An indication of the eventual yield from such a measure is that a tax at 29 per cent. on lump sums on retirement would yield about £850 million in 1986-87.

Income Tax

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what was the cost in 1985-86 of administering income tax; and what is the latest estimate of the dates of completion of the programme of computerisation, distinguishing between installation of hardware and preparation of software.

Mr. Norman Lamont: The cost of administering income tax in 1985-86 was £793·1 million.

The computerisation of PAYE (COP) and of schedule D work (CODA) is on schedule for completion in 1988. Five (out of eleven) regional processing centres are already operational. Software enhancements to the basic computer systems will continue throughout the implementation phase and beyond.

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer if he will update his answer to the hon. Member for Kensington, *Official Report*, 3 April 1985, column 679, showing revenues from higher rate income tax each year since 1978-79; and what is the current cost of collection of this revenue.

Mr. Norman Lamont: Updated estimates for 1983-84 to 1985-86 and an estimate for 1986-87 are as shown. The current cost of administering higher rate income tax is about £13 million.

*Income tax due from higher rate bands in excess of basic rate liability**

£ million

	at current prices	*at 1978-79 prices†*
1983-84	1,400	830
‡1984-85	1,600	900
‡1985-86	1,950	1,040
‡1986-87	2,400	1,240

* Excluding yield from the investment income surcharge in 1983-84.
† Using the RPI.
‡ Provisional.

North Sea Oil and Gas

Mr. Deakins asked the Chancellor of the Exchequer if he has made any assessment of the impact of North sea oil and gas on the United Kingdom economy and on United Kingdom economic performance in relation to other Organisation of Economic Co-operation and Development countries; and if he will make a statement.

Mr. MacGregor: The United Kingdom economy benefits significantly from North sea oil and gas; the direct contribution to GNP was worth about 5 per cent. in 1985, and both Government revenues and the balance of payments have been strengthened. It has also enabled the United Kingdom to build up overseas assets which will yield continuing benefits as oil production declines.

EC (Currency Unit)

Mr. Deakins asked the Chancellor of the Exchequer what rate of exchange for the European Economic Community European currency unit to the United States dollar was assumed in the 1986 European Economic Community budget approved by the Council and in that passed by the Assembly.

Mr. Brooke: The rate of exchange for the European currency unit to the United States dollar assumed in the 1986 European Communities budget was one dollar to 1·20 ecus.

Unemployment (Scotland)

Dr. Godman asked the Chancellor of the Exchequer what is the estimate of the total cost to his Department of unemployment in *(a)* Scotland, *(b)* Strathclyde and *(c)* Greenock and Port Glasgow.

Mr. MacGregor: The overall cost of unemployment and supplementary benefit paid to the unemployed is estimated to be £5·6 billion in 1986-87. In addition, it is estimated that £1·15 billion will be paid in housing benefit, a benefit which can continue to be paid if the recipient finds employment. A regional breakdown of this expenditure would be available only at disproportionate cost. It is not possible to estimate the tax revenue forgone.

Family Income

Mr. Hickmet asked the Chancellor of the Exchequer how much a married man with a non-working wife and *(a)* two children and *(b)* three children needs to gross before being better off than the same man who is unemployed and in receipt of all benefits available; what effect a reduction of the basic rate of tax to 25p would have; and if he will make a statement.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Tax Refunds

Dr. McDonald asked the Chancellor of the Exchequer if he will publish in the *Official Report* the cost of the refunds due to the miscalculation of tax relief given on any lump sum exceeding £50,000 paid since 6 April 1982; how many individuals are involved; and what is the average refund due.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Covenants (Abuse)

Mr. Dalyell asked the Chancellor of the Exchequer if he will make a statement on the Inland Revenue investigation into alleged abuse of the convenants procedure in a Scottish Roman Catholic diocese.

Mr. Norman Lamont [*pursuant to his reply*, 22 May 1986, c. *308*]: The Inland Revenue makes regular checks on claims by churches and other charities for repayment of tax deducted from covenant payments, but I cannot comment on what may or may not have occurred in any individual case.

Income Tax and National Insurance

Mr. Sydney Chapman asked the Chancellor of the Exchequer if he will publish a table in the *Official Report* showing the total percentage tax liability, including national insurance contributions, of the gross wage of *(a)* a single person, *(b)* a married person, *(c)* a married person with one child, and *(d)* a married person with two children each earning £40, £60, £80, £100, £120, £140, £160, £180 and £200 per week, as a result of his 1986 Budget proposals and as compared with the 1984 Budget proposals and the 1978 Budget proposals.

Mr. Lamont Lamont [*pursuant to his reply*, 4 June 1986]: The table shows income tax plus national insurance contributions (less child benefit where appropriate) as a percentage of gross income for the family types and years affected by the Budgets specified. National insurance contributions have been taken to be at contracted-in rates and for the married couples it is assumed that only the husband is earning. Negative figures in the table indicate cases where child benefit exceeds liability to income tax and national insurance contributions.

Percentages

Income Levels (per £ week)	*1978-79*				*1984-85*				*1986-87*			
	Single	*Married no children*	*Married one child*	*Married two children*	*Single*	*Married no children*	*Married one child*	*Married two children*	*Single*	*Married no children*	*Married one child*	*Married two children*
40	21·0	13·1	5·4	−2·2	10·1	9·0	−7·6	−24·1	5·0	5·0	−12·7	−30·3
60	27·2	21·3	16·0	10·7	19·7	9·0	−2·1	−13·1	14·3	7·0	−4·8	−16·6
80	30·2	25·9	21·9	17·9	24·5	16·2	8·0	−0·3	19·7	10·5	1·7	−7·2
100	32·1	28·6	25·4	22·2	27·4	20·8	14·2	7·5	25·0	17·6	10·5	3·5
120	33·3	30·4	27·8	25·1	29·4	23·8	18·3	12·8	27·1	21·0	15·0	9·2
140	33·3	30·8	28·5	26·2	30·7	26·0	21·3	16·5	28·7	23·4	18·4	13·3
160	33·2	31·1	29·1	27·1	31·8	27·6	23·5	19·3	29·9	25·3	20·8	16·4
180	33·5	31·3	29·5	27·7	32·6	28·9	25·2	21·5	30·8	26·7	22·7	18·8
200	34·3	32·0	30·4	28·7	33·2	29·9	26·6	23·3	31·5	27·8	24·3	20·7

Capital Gains Tax Retirement Relief

Dr. McDonald asked the Chancellor of the Exchequer what is the estimated annual costs of the capital gains tax retirement relief.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

National Insurance

Dr. McDonald asked the Chancellor of the Exchequer what would be the additional cost in 1986-87 of income tax relief for class 4 national insurance contributions if the upper annual limit were abolished.

Mr. Norman Lamont [*pursuant to his reply*, 5 June 1986]: If the upper profit limit for class 4 national insurance contributions were removed and tax relief were available on one half of all class 4 NIC, the additional cost of the tax relief for 1986-87 would be about £40 million.

AGRICULTURE, FISHERIES AND FOOD

Sewage Sludge

Dr. Roger Thomas asked the Minister of Agriculture, Fisheries and Food if he will give detailed figures of the concentration of *(a)* inorganic heavy metals, particularly mercury and cadmium, *(b)* organic compounds, particularly polychlorinated biphenyls and dieldrin and *(c)* man-made synthetic contaminants in samples of sewage sludge dumped in the coastal waters of the United Kingdom, with particular reference to the Thames estuary, the Clyde estuary, Liverpool bay and Merseyside, and the Severn estuary.

Mr. Gummer: Specific information on levels of mercury, cadmium, polychlorinated biphenyls and dieldrin found in sewage sludges produced by the water authorities which use the sites in question is set out in the table. All sewage sludges contain very small traces of a wide range of man-made synthetic contaminants.

(parts per million, dry weight)

Site	*Total mercury*	*Total cadmium*	*Polychlorinated biphenyls*	*Dieldrin*
Thames estuary	4·8	19·0	0·15	0·12
Clyde estuary	3·2	8·0	0·32	0·14
Liverpool bay	5·0	12·5	0·13	0·09
Severn estuary	4·6	10·0	0·08	0·24

Notes:

1. Figures are for total mercury and cadmium as separate data on inorganic mercury and cadmium are not available.
2. Total mercury and total cadmium levels are based on concentrations in sewage sludges licensed for disposal in the areas shown in 1985 and 1986.
3. For polychlorinated biphenyls and dieldrin, the figures are based on levels found in the last (1981-82) survey of sewage sludges produced by the relevant water authorities, except for those for the Clyde which relate to sludges licensed for disposal in 1985-86.

Pesticides

Sir Richard Body asked the Minister of Agriculture, Fisheries and Food whether there are any pesticides on sale in the United Kingdom approved by the Advisory Committee on Pesticides wholly or partly on data made available by the Industrial Bio-Test Laboratory.

Mrs. Fenner: There are no products on sale in the United Kingdom whose clearance under the pesticides safety precautions scheme (PSPS) depended wholly on data supplies from Industrial Bio-test Laboratories (IBT). There are a number of products on sale whose clearance was originally based in part on data from IBT but in most cases the IBT data have been validated or replaced by new

data. In the case of "Maloran 50WP" (active ingredient chlorbromuron), the supplying company does not wish to retain PSPS clearance and the product's clearance has therefore been withdrawn with effect from 1 July 1986. Clearance for the use of alachlor was also supported in part by IBT data. There was no suggestion that the data were fraudulent, but it was outdated. The Advisory Committee on Pesticides recommended that a review should be carried out. A replacement data package has been received and the review is underway.

Cereal Production

Mr. Hardy asked the Minister of Agriculture, Fisheries and Food what steps he is taking to promote alternative use of land now used for cereal production; and if he is monitoring such changes in land use in the rest of the Community.

Mr. Jopling: We have urged the Community to examine the possibility of a voluntary set-aside arrangement for cereals. Data on changes in land use in the rest of the Community may be obtained from the Commission's annual reports "The Agricultural Situation in the Community", copies of which have been placed in the Library.

Farm Prices

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food what is the average annual farm price increase agreed by the Council of Ministers since 1979.

Mr. Gummer: The average annual increase in CAP common support prices agreed by the Council of Ministers since 1979 is 3·5 per cent.

Food (Self-sufficiency)

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food what has been the change in the level of United Kingdom self-sufficiency for all food consumed from 1973 to 1985; and what is the comparable figure for all temperate food products in the same period.

Mrs. Fenner: The estimated level of United Kingdom self-sufficiency for all food consumed increased from 50 per cent. in 1973 to 62 per cent. in 1985. The comparable figures for all temperate food products are 60 per cent. and 80 per cent. The 1985 figures are provisional.

Community Expenditure

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food what is the average annual figure for the proportion of total Community expenditure absorbed by agriculture since 1979.

Mr. Jopling: The average percentage share of total Community expenditure taken by the common agricultural policy since 1979 (1980 to 1986 inclusive) is 69 per cent.

Data Protection

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food how many registrations his Department has made under the Data Protection Act, how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Jopling: My Department has made 36 registrations under the Data Protection Act.

Two people are involved to a significant extent in implementing the legislation in my Department.

My officials have estimated that the total cost of conforming with the eight data protection principles will amount to £100,000. This estimate does not include the cost of the small amount of time expended by a large number of staff located throughout the Department who have provided information to the centre to facilitate the registration process. The annual cost of continuing to conform with the eight principles, after 11 November 1987, when the subject access provisions come into force, is estimated at £40,000.

Badgers

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food what is his estimate of the savings, in a full year, from the recent modifications of the badger control operations.

Mrs. Fenner: Savings in operational costs resulting from recent modifications to badger control operations are estimated at broadly £300,000 in a full year.

Trout and Salmon

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food what information he has as to the number of fishermen employed at net fisheries for migrating trout and salmon on each of the major salmon rivers and estuaries in England and Wales in each of the last 10 years.

Mr. Gummer: The only information available to me relates to the number of persons, in each water authority area, who were licensed to use commercial instruments to fish for salmon or migratory trout or who were authorised to assist in the working of the licensed instrument.

Number of persons licensed to fish for salmon or migratory trout by commercial instrument and number of authorised servants or agents who may assist in the working of those instruments

Water authority	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Anglian	329	311	290	290	306	379	391	419	278	322
Northumbrian	525	496	500	500	520	536	477	540	462	473
North West	318	319	327	307	296	300	296	322	334	369
Severn Trent	118	129	126	109	124	125	114	157	171	164
Southern	4	4	4	4	4	4	4	4	4	4
South West	722	808	760	700	729	595	609	578	550	604
Thames	—	—	—	—	Nil	—	—	—	—	—

Water authority	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Welsh	698	719	650	*155	*177	*186	*176	*164	647	674
Wessex	*38	*37	*41	46	57	55	44	36	44	30
Yorkshire	263	272	242	251	235	221	234	223	208	219

* Licensees only (number of authorised servants or agents not available).

Radiation

Mr. Hancock asked the Minister of Agriculture, Fisheries and Food what monitoring takes place of radioactive charges in the Channel.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Swine Fever

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food what assessment he has made of the recent outbreak of swine fever; and if he will make a statement.

Mrs. Fenner: The first outbreak in Shropshire has been linked to the feeding to pigs of scraps of imported pigmeat products. However, we have not so far been able to establish the source of the recent outbreaks.

We are discussing in Brussels possible ways of improving the effectiveness of Community measures against this disease. In the meantime, the Community has accepted the measures taken and our exports are substantially unaffected.

Food Quality

Mr. Pike asked the Minister of Agriculture, Fisheries and Food what steps he takes to monitor the quality of food.

Mrs. Fenner: There is comprehensive legislation regulating the safety quality and labelling of food. In addition, my Department carries out regular and ad hoc surveys under the aegis of the steering group on food surveillance. The results of these surveys are published both in the scientific literature and by HMSO in food surveillance papers: 16 have been published to date.

THE ARTS

Portrait Photographers (Copyright)

Mr. Thurnham asked the Minister for the Arts what representations he has received about (i) the simplification of language in the Copyright Act 1956 and (ii) the rights of portrait photographers; and if he will make a statement.

Mr. Luce: Responsibility for copyright lies with the Secretary of State for Trade and Industry. I have not received any representations on either matter.

Objects in Lieu of Tax

Mr. Faulds asked the Minister for the Arts whether he will give the respective dates of the laying before Parliament of the five statements covering the financial years 1980-81 to 1984-85 inclusive, in compliance with section 9(6) of the National Heritage Act 1980; whether those statements specified particulars of estate duty or capital transfer tax satisfied in individual cases of acceptances of objects and land in lieu of such taxes; and what is his policy towards the inclusion of similar particulars in such statements in the future.

Mr. Luce: The dates of the five statements laid before Parliament are as follows:

	Date
1980-81	7 December 1981
1981-82	22 October 1982
1982-83	12 May 1983
1983-84	31 July 1984
1984-85	16 May 1985

These statements all specified particulars of estate duty or capital transfer tax satisfied in individual cases. A similar statement was laid for 1985-86 on 16 May 1986 by the Secretary of State for the Environment. This was accompanied by a press notice from the Office of Arts and Libraries. Future statements will include similar particulars.

Mr. Faulds asked the Minister for the Arts whether, pursuant to his answer to the hon. Member for Warley East on 8 April, *Official Report*, columns 87-88, he is now able to give details of the individual amounts of tax satisifed in each of the cases listed by him in which objects and land were accepted in lieu of capital transfer tax during the financial year ended 31 March.

Mr. Luce: Yes. It has now been established that no breach of confidentiality is involved in giving the individual figures. The complete list of items accepted during the period is as follows:

Work of art/land	Amount of tax satisfied £
Photographs associated with the late Marquess Curzon of Kedleston	10,150
Chattels at Mount Edgecumbe	327,132
Collar chain of a KCMG	750
Land at Pond Wood	49,000
Chattels at Hagley Hall	210,000
Land at Coldharbour Common	12,500
Correspondence of Sir Arthur Bryant	13,750
Bronze sculpture by Hans Arp	15,100
Archive from the Dukes of Portland and Newcastle	1,367,600
Nine paintings by Ben Nicholson	187,825

Residual expenditure of £172,900 was incurred during the period. This was to pay the balance owing on two previously accepted items, the Geoffrey Keynes collection —£168,230—and a bust of Lord Somers—£4,670.

Mr. Faulds asked the Minister for the Arts whether, in the light of the letters to him of 24 March, 22 April, 19 May and 28 May from the hon. Member for Warley, East, he is now able to give a full list of the relevant references in the *Official Report* of those occasions on which the amounts of estate duty or capital transfer tax satisfied by the acceptance of objects and land in respect of individual

cases have been specified in answers during the period between 23 June 1980, *Official Report*, columns 3-4, and 26 April 1985, *Official Report*, column 562, inclusive.

Mr. Luce: The references in the *Official Report* in which amounts of tax satisfied by the acceptance of objects and land in lieu of capital taxation between the dates cited are as follows:

23 June 1980, columns 3-4
7 August 1980, column 277
27 October 1980, columns 27-8
3 April 1981, columns 165-6
12 May 1981, column 251
3 July 1981, column 513
22 July 1981, columns 175-6
19 January 1982, columns 123-4
25 January 1982, column 253
28 January 1982, columns 397-8
19 February 1982, column 237
10 March 1982, column 409
7 April 1982, columns 355-6
22 October 1982, column 214
17 March 1983, column 213
11 April 1983, column 341
27 July 1983, columns 476-7
6 April 1984, column 697
14 May 1984, column 46
6 July 1984, columns 341-2
2 April 1985, columns 573-4
26 April 1985, column 562

NORTHERN IRELAND

Wheelchair Dwellings

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many dwellings, purpose-built to accommodate wheelchairs, presently exist within the following districts of the Northern Ireland Housing Executive's south eastern region; Dundonald, Newtownards 1, Newtownards 2 and Newtownbreda.

Mr. Needham: The information requested is as follows:

Wheelchair dwellings provided by:

	NIHE	*Registered housing association*
Dundonald (now known as Castlereagh 1)	1	2
Newtownards 1	3	2
Newtownards 2	2	1
Newtownbreda (now known as Castlereagh 2)	0	0

No information is available about private sector wheelchair accommodation in the four districts.

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many dwellings, specially converted to accommodate wheelchairs, presently exist within the following districts of the Northern Ireland Housing Executive's south eastern region; Dundonald, Newtownards 1, Newtownards 2 and Newtownbreda.

Mr. Needham: No dwellings in the Housing Executive's stock in the four districts have been specially converted to accommodate wheelchairs and no such conversions have been carried out by registered housing associations in these districts.

Information is not available as to the number of dwellings in the private sector in the four districts which have been specially converted to accommodate wheelchairs.

Dog Licences

Mr. Dover asked the Secretary of State for Northern Ireland what lessons have been learned from the trial period of dog licences at £5 per annum introduced in 1985.

Dr. Boyson: I shall reply to my hon. Friend as soon as possible.

Maghaberry Prison (Strip Searches)

Mr. McNamara asked the Secretary of State for Northern Ireland how many strip searches were made of female prisoners in Her Majesty's prison in Maghaberry in April and May, respectively; if he will give the number of persons involved and the number of times each person was searched; whether any prison contraband, smuggled item or illegal correspondence was discovered in any search, indicating which items; in how many cases prisoners refused to be searched and had to be restrained while the search was being conducted; and if he will indicate the reasons for the search, namely, making an appearance on remand, attending trial, inter-prison visit or other reasons.

Mr. Scott: During April 1986, 51 searches were carried out on 31 prisoners: 14 prisoners were searched once, 14 were searched twice and three prisoners were searched on three occasions. During May 1986, 38 searches were carried out on 25 prisoners: 14 prisoners were searched once, 10 were searched twice and one prisoner was searched on four occasions. No prohibited article was found during these searches and no prisoner refused to be searched. Searches were carried out in the following circumstances:

	April	*May*
First admission on remand or whilst awaiting trial	6	7
First admission on sentence or on final discharge	29	17
Attending remand courts	—	2
Attending trial	2	—
Bail court appearances	9	7
Going on or returning from home leave	5	2
Inter-prison visits	—	2
Attendance at police station (section 16 Prison Act (NI) 1953)	—	1
Total	51	38

War Emergency Headquarters

Mr. Tony Banks asked the Secretary of State for Northern Ireland in what way the plans for zone headquarters in Northern Ireland relate to the three war headquarters referred to in the answer of 17 March, *Official Report*, columns 33 and 34.

Mr. Scott: For civil defence purposes Northern Ireland (region No. 11) is not divided into zones.

The three purpose-built protected centres I referred to in my reply of 17 March will accommodate the regional Government headquarters, a reserve team and four area emergency centres — equivalent to county emergency centres in England and Wales.

SOCIAL SERVICES

Enterprise Allowance

Mr. Barnett asked the Secretary of State for Social Services (1) what information he has as to how many recipients of the enterprise allowance who were also in receipt of housing benefit had the enterprise allowance treated as unearned income for the purposes of entitlement of housing benefit; and in how many cases it was treated as a business receipt;

(2) if he has any plans to compensate those who have been financially disadvantaged by the decision to treat the enterprise allowance as unearned income under the housing benefit regulations; and if he will make a statement.

Mr. Major: No such information is collected centrally as the day-to-day administration of the housing benefit scheme is the statutory responsibility of local authorities. The guidance issued by the Department to local authorities is that enterprise allowance should be regarded as a business receipt for the purposes of deciding the income of housing benefit applicants—paragraph 7.15 of the housing benefits guidance manual, a copy of which is in the Library. If the hon. Member has a particular case in mind, he should raise it in the first instance with the local authority concerned.

Unclaimed Benefits

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what is his latest estimate of the amount of social security benefits left unclaimed on an annual basis, distinguishing between the main benefits.

Mr. Major: The following table sets out the latest available published figures:

Benefit	*Year*	*Amount Unclaimed £ million*
Supplementary Benefit	1981	760
Family Income Supplement	1981-82	57
One Parent Benefit	1982-83	18

First estimates of unclaimed housing benefits, and further estimates for supplementary benefit, family income supplement and one parent benefit, will be available shortly.

Chiropody

Mr. Terry Lewis asked the Secretary of State for Social Services what qualifications are required for persons intending to practice chiropody.

Mr. Hayhoe: Only those wishing to practise chiropody in the National Health Service require a qualification. This is that they must satisfy the registration requirements laid down by the Chiropodists Board of the Council for Professions Supplementary to Medicine. Currently the only qualification accepted for state registration is the three-year diploma course of the Society of Chiropodists.

Social Security Payments (Newham)

Mr. Leighton asked the Secretary of State for Social Services what percentage of income in the London borough of Newham is derived from social security payments; and what is the national percentage.

Mr. Major: In 1984 approximately 16 per cent. of national household disposable income came from social security benefits. No comparable figure is available for the London borough of Newham.

Benefits

Mr. Madden asked the Secretary of State for Social Services if he will give the number of claimants in receipt of *(a)* sickness benefit, *(b)* invalidity benefit, *(c)* industrial disablement benefit and *(d)* non-contributory invalidity pension, housewives' non-contributory invalidity pension or severe disablement allowance for the latest available year at each of the Bradford offices of his Department at Westfield house, Law Russell house and 373 Leeds road.

Mr. Major: The number of claimants in receipt of sickness and invalidity benefit and severe disablement allowance as at 6 May 1986, and in receipt of industrial disablement benefit as at 11 February 1986—the latest dates for which information is available—at the Department's offices at Westfield House (Bradford (West) office), Law Russell House (Bradford (South) office) and 373 Leeds Road (Bradford (East) office) is as follows:

	Sickness and Invalidity Benefit	*Severe Disablement Allowance*	*Industrial Disablement Benefit*
Bradford West	2,393	399	328
Bradford South	2,537	731	413
Bradford East	2,095	496	418

Separate records are not kept of the number of claimants in receipt of sickness and invalidity benefit.

Non-contributory invalidity pension and housewives' non-contributory invalidity pension were replaced by severe disablement allowance from 29 November 1984.

Mr. Madden asked the Secretary of State for Social Services (1) how many claimant couples with children were in receipt of *(a)* unemployment benefit only, *(b)* supplementary benefit only and *(c)* unemployment benefit and supplementary benefit for the latest available year at each of the Bradford offices of his Department, Westfield House, Law Russell House and 373 Leeds Road;

(2) how many claimants are in receipt of *(a)* unemployment benefit only *(b)* supplementary benefit only and *(c)* unemployment benefit and supplementary benefit for the latest available year at each of the Bradford offices of his Department at Westfield House, Law Russell house and 373 Leeds road, excluding pensioner claimants and claimants with dependent children.

Mr. Major: I regret that this information is not available. Statistics are not kept routinely so that the information requested could be obtained only by a special exercise which would be disproportionately expensive.

Mr. Madden asked the Secretary of State for Social Services if he will give the number of *(a)* single payments and *(b)* urgent needs payments, both weekly and one-off, paid to claimants who are (i) under pensionable age and not required to register to work, (ii) under pensionable age and required to register for work and (iii) over pensionable age.

Mr. Major: For the year to 8 April 1986 the information requested is as follows:

(000s)

	Under pensionable age and not required to register for work	Under pensionable age and required to register for work	Over pensionable age
Number of awards under the Single Payments Regulations	1,787	2,079	508
Number of awards under the Urgent Cases Regulations:			
Weekly	7	6	*
One-off	88	178	5

* Less than 1,000.

Dr. Godman asked the Secretary of State for Social Services what is the total cost in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland of payments to the unemployed in each year since 1977 of (i) unemployment benefit, (ii) supplementary allowances and (iii) housing benefits, respectively.

Mr. Major: I regret that this information is not available.

Dr. Godman asked the Secretary of State for Social Services if he will publish a table in the *Official Report* showing the numbers of unemployed people in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland, by entitlement to benefit for each year since 1979 and distinguishing between (i) unemployment benefit only, (ii) unemployment benefit and supplementary benefit, (iii) supplementary benefit only, (iv) no benefit and (v) housing benefit.

Mr. Major: The table shows the numbers of unemployed people in *(a)* Greenock and Port Glasgow and *(b)* Scotland in November each year since 1979 receiving the the following benefits: (i) unemployment benefit only (ii) unemployment benefit and supplementary benefits (iii) supplementary benefit only (iv) no benefit. Similar information for Strathclyde could only be obtained by a special exercise which would be disproportionately expensive. The information is not available for housing benefit.

(Thousands)

	UB	UB + SA	SA	No. Benefit	Total
	(a) Greenock and Port Glasgow				
1979	1·7	0·2	2·2	0·6	4·7
1980	2·6	0·3	2·7	0·6	6·2
1981*	—	—	—	—	—
1982	1·8	0·5	4·6	0·7	7·6
1983	1·8	0·4	4·6	0·6	7·4
1984*	—	—	—	—	—
1985	1·8	0·6	4·8	1·0	8·2
	(b) Scotland				
1979	64·4	9·2	66·9	25·5	166·0
1980	106·7	14·3	85·7	29·3	236·0
1981*	—	—	—	—	—
1982	92·3	24·8	168·7	41·2	327·0
1983	85·7	22·5	185·5	34·9	328·6
1984*	—	—	—	—	—
1985	84·1	21·2	188·7	44·4	338·4

* Figures for 1981 and 1984 are not available because of industrial action.

Source:

Quarterly Count of Unemployed Claimants.

UB = Unemployment benefit.

SA = Supplementary allowance.

Mr. Frank Field asked the Secretary of State for Social Services what happens to the benefit rights of those claimants who are required to sign on quarterly but who fail to turn up to register.

Mr. Newton: If a claimant who is required to sign quarterly at an unemployment benefit office fails to do so, he loses entitlement to benefit because he has not satisfied the conditions for receiving it. However, departmental instructions require staff to interview any such claimant, at the local office or by home visit, to ascertain the reasons for his failure to sign so that benefit payments can be continued if, for example, the claimant is found to be sick and so that he may be warned about the implications if he continues to fail to sign without good reason.

Retirement Pensions

Ms. Richardson asked the Secretary of State for Social Services, pursuant to his answer of 15 May to the hon. Member for Barking, *Official Report*, columns *527-530*, whether the retirement pension of those 5,733 people recorded as people in transit will be paid at current or frozen rates.

Mr. Major: The 5,733 people shown as "Countries not recorded (people in transit)" were known to be moving from one country to another but their new countries of residence were not included in the Department's computer records at the time when the count was taken. Whether their pensions will be payable at current or frozen rates will depend upon the new country of residence.

Ms. Richardson asked the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Barking, 15 May, *Official Report*, columns *527-530*, how 828 retirement pensioners whose address is not known can receive a retirement pension abroad; and into what categories they fall.

Mr. Major: As these 828 pensioners have not provided their current addresses the appropriate rate of pension cannot be decided nor can payment be made. Information on the categories into which they fall is not available and could be obtained only at disproportionate cost.

Ms. Richardson asked the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Barking, 15 May, *Official Report*, columns *527-530*, if he will set out the rules governing payment of benefit in those countries where some benefits are paid at current and others at partially unfrozen rates; and how many of the people listed as resident in each of those countries received their pension at current and at partially unfrozen rates.

Mr. Major: Current rates of pension are payable in all the countries listed as those where benefits are paid at current or partially unfrozen rates, except in Bermuda,

Jamaica, and United States of America. In these three countries all increases since the respective agreements came into effect are payable, that is, from these dates:

	Date
Bermuda	1 November 1969
Jamaica	1 October 1972
United States of America	28 September 1969

In consequence, the great majority of pensions in these three countries are paid at current rates, but the precise numbers of people receiving full rate pensions are not available and could be obtained only at disproportionate cost.

Ms. Richardson asked the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Barking, 15 May, *Official Report*, columns *527-530*, if he will separate the figure for the average pension paid in countries where no increases are paid into the average paid to single people, to married men and to married women, respectively.

Mr. Major: The information requested is not available and could be obtained only at disproportionate cost.

Ms. Richardson asked the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Barking, 15 May, *Official Report*, columns *527-530*, whether the numbers of beneficiaries listed include dependants; and if he will list separately the number of dependants.

Mr. Major: The numbers of beneficiaries listed do not include dependants. The number of these would be small, but precise figures are not available and could be obtained only at disproportionate cost.

Industrial Injuries Scheme

Ms. Richardson asked the Secretary of State for Social Services how many people have *(a)* claimed and *(b)* received disablement benefit under the industrial injuries scheme for (i) less than 14 per cent. loss of faculty and (ii) 14 per cent. and above loss of faculty for each of the past 10 years; and if he will make a statement.

Mr. Newton: Information is not held in the form requested. It is estimated that between 80 per cent. and 90 per cent. of disablement benefit awards are for disablement below 14 per cent.

Rehabilitation Centres

Mr. Tom Cox asked the Secretary of State for Social Services how many alcoholic rehabilitation centres there are in London; if he will list them; and how they are funded.

Mr. Whitney: We are aware of the following residential rehabilitation facilities for problem drinkers in London:

B-Sharp (Bow)
Downham Lodge (N16)
Grieg House Alcoholic Assessment Unit (Poplar)
Hartley House Alcohol Project (Ealing)
Milliken House Alcohol Project (Ealing)
Spitalfields Crypt (E1)
West London Cyrenians (W11)
Alcoholics Recovery Project — facilities in NW1, SW12, SE5, SW4 (2), SE6 (2), SE4
Mount Carmel Hostel for Recovering Alcoholics (Streatham)
St. Luke's Alcoholic Rehabilitation Centre (SE11)
The Richmond Fellowship (Purley)
Turning Point (Camberwell)
Charter Clinic (SW3)
The Oakhurst Centre (SW7)

We understand that there are some 38 non-residential facilities in London run by non-statutory bodies which offer a range of services including, in some cases, a rehabilitation service. Long-term support is also provided through out-patient facilities of the National Health Service. Information on the funding of individual facilities is not held centrally.

Mr. Tom Cox asked the Secretary of State for Social Services how many drug rehabilitation centres there are in London; if he will list them; and how such centres are funded.

Mr. Whitney: We are aware of the following residential rehabilitation facilities in London:

Alwin House (W11)
Bowden House (Harrow on the Hill)
The Charter Clinic (NW3)
The Charter Clinic (SW3)
City Roads (EC1)
Crescent House (W2)
Deliverance International (E12)
Elisabeth House (SW10)
Oak Lodge (SW15)
Parole Release Scheme (SW11)
Phoenix House (SE23)
The Priory (Roehampton)
Project 85 (Tooting)
Pye Barn Trust (SW4)
ROMA (W4)
Two Three Five Project (SW17)

We understand that there are about 45 non-residential facilities in London run by non-statutory bodies which offer a range of services including in some cases a rehabilitation service. Long-term support is also provided in out-patient facilities in the National Health Service. Information on the funding of individual facilities is not held centrally.

Cystic Fibrosis

Mr. Lawrence asked the Secretary of State for Social Services if he will list the specialist centres in the United Kingdom for the treatment of cystic fibrosis; and whether he has any plans for the establishment of further centres.

Mr. Whitney: Information on units specialising in cystic fibrosis is not collected centrally. The intensity of cystic fibrosis, and therefore its treatment, can vary and there is some difference in medical opinion as to whether, for the majority of cases, any benefits arising from regional or other centres would outweigh the difficulties and disruption involved in treating children far from their homes. It is for health authorities, in consultation with the consultants concerned, to determine how best services for children and for older sufferers from cystic fibrosis should be organised, and where they should be located.

Students (Benefits)

Mr. Davies asked the Secretary of State for Social Services what are the present eligibility criteria for part-time students receiving social security benefits.

Mr. Newton: An unemployed person who wishes to claim supplementary benefit while studying part-time must satisfy the following conditions: the course is for not

more than 21 hours per week of supervised study and instruction; he is prepared to leave the course if work becomes available for him; he has been unemployed and in receipt of benefit for three months, and during this period his study has been limited—if 19 or under—to 12 hours per week or less, or—if over 19—to any course which is designated part-time.

New Hospitals

Mr. Maxton asked the Secretary of State for Social Services, of the new hospitals opened since 1979, what percentage of beds are not yet in use.

Mr. Whitney: Information collected centrally relates to hospital schemes costing £2 million or more to build; in the 81 schemes completed and fully commissioned since the beginning of 1979, less than 2 per cent. of beds are not yet in use out of a total of almost 15,500 new beds provided for National Health Service patients. These beds will be brought into use following the implementation of planned changes within the local pattern of health services.

Mr. Maxton asked the Secretary of State for Social Services, of the new hospitals started in England, Wales and Scotland since 1979, how many were approved before that date; and how many hospitals have been approved since 1979.

Mr. Whitney: Since 1979, 74 new hospital schemes each costing in excess of £5 million have been started on site in Great Britain. Of these 22 were approved before 1979 and 52 after.

Hospital Closures

Mr. Maxton asked the Secretary of State for Social Services how many hospitals have been closed since 1979.

Mr. Hayhoe: For the latest information available I refer the hon. Member to my reply to the hon. Member for Oldham, West (Mr. Meacher) on 3 March at column *62*.

Family Credit

Sir Eldon Griffiths asked the Secretary of State for Social Services what estimate he has made of the compliance costs of his proposals for family credit.

Mr. Newton: Precise costs will depend on the operational details, which have not yet been finalised.

Mr. Meacher asked the Secretary of State for Social Services what form the consultation on the payment mechanism for family credit will take; which organisations are being consulted; and when he hopes to announce the outcome of the consultation.

Mr. Newton: My right hon. Friend the Secretary of State announced on 19 May that he was prepared to reconsider the mechanism by which family credit is to be paid and that he would be inviting the CBI, the National Federation of Self Employed and Small Businesses, the Equal Opportunities Commission and the Women's National Commission to discussions. We shall also have regard to the other representations which have been made on this issue including those expressed during the consideration of the current Social Security Bill. We shall announce the outcome of the reconsideration as soon as possible.

Mr. Marlow asked the Secretary of State for Social Services what assessment he has made of the implications of European legislation or of decisions by Community institutions with regard to any decision by Her Majesty's Government as to whether family credit should be payable on a sexually defined basis.

Mr. Newton [*pursuant to his reply*, 23 May c. *382*]: I understand that the present provisions on equal treatment in social security Council directive 79/7/EEC, would not apply to family credit.

Data Protection Act (Registration)

Mr. Cohen asked the Secretary of State for Social Services how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Whitney: A total of 31 individual registrations were made in respect of systems in the Department. There are currently 15 staff wholly or mainly engaged on the implementation of the Data Protection Act and a number of other staff spend a smaller part of their time on this work. Departmental working practices and procedures are such that the Department was, in effect, already complying with the requirements of data protection principles 1 to 6 and 8, and any additional costs have not been significant. The cost of implementing the seventh principle will depend on the rate at which the new facility is taken up, and a reliable estimate is not possible. The Department will continue to respond sympathetically to any requests for information and will comply with the subject access provisions of the Data Protection Act in due course.

RHA Chairmen (Appointments)

Mr. Coombs asked the Secretary of State for Social Services whether he will announce the appointment of regional health authority chairmen from 1 August.

Mr. Fowler: The terms of office of 11 of the 14 regional health authority chairmen expire on 31 July 1986. I am glad to say that all 11 of them have accepted my invitation to continue to serve in this most important position.

Regional health authorities, under the leadership of their chairmen, are playing a key role in carrying through the improvements in NHS management which are already leading to better services for patients and better value for money. I should like to place on record the Government's appreciation of the excellent work done by health authorities, their chairmen, and their staff to further these aims.

The 11 regional health authority chairmen are being reappointed for varying terms so as to phase the appointments in the future. The appointments are as follows:

Region and Chairman

Northern
Professor B. E. Tomlinson, CBE MD FRCP FRC (PATH) until 31 July 1988

Yorkshire
B. Askew until 31 July 1988

Trent
Sir Michael Carlisle, B.ENG FI Mech E MBIM until 31 July 1990

East Anglian
Sir Arthur South, JP until 31 July 1987

South West Thames
A. V. Driver, BSc until 31 July 1988

Wessex
Professor Sir Bryan Thwaites, MA PhD FIMA FRSA until 31 July 1988

South Western
W. V. S. Seccombe, JP until 31 July 1990

Oxford
Sir Gordon Roberts, CBE JP until 31 July 1988

West Midlands
J. G. Ackers until 31 July 1990

Mersey
R. D. Wilson until 31 July 1990

North Western
Sir John Page, OBE until 31 July 1987

The remaining three regional health authority chairmen are as follows:

North West Thames
W. Doughty, MA (already appointed until 31 July 1987)

North East Thames
D. Berriman, FIB CBIM MA (already appointed until 31 July 1988).

South East Thames
Sir Peter Baldwin, KCB (already appointed until 31 July 1987).

Breast Cancer

Mr. Dobson asked the Secretary of State for Social Services how many district health authorities have multi-disciplinary teams capable of conducting clinical, radiological and histopathological diagnostic assessment of mammographic abnormalities.

Mr. Hayhoe: I regret that this information is not available centrally.

It is, however, part of the remit of Professor Sir Patrick Forrest's expert working group on breast cancer screening to consider the back-up services for the assessment of abnormalities that would be necessary to support any breast cancer screening service based on mammography.

Social Security Payments

Dr. Godman asked the Secretary of State for Social Services what percentage of incomes in *(a)* Scotland, *(b)* Strathclyde and *(c)* Greenock and Port Glasgow are derived from social security payments; and what is the national percentage.

Mr. Major: Percentage information on Scotland is not available, but I refer the hon. Member to my replies to the hon. Member for Caernarfon (Mr. Wigley) on 22 April at columns *138* and *139* and 30 April at columns *431* and *432*. I regret that information on Strathclyde and on individual constituencies is not available. On the national percentage, I refer the hon. Member to my reply to the hon. Member for Newham, North-East (Mr. Leighton) today.

Living Standards

Dr. Godman asked the Secretary of State for Social Services if he is able to estimate what percentage of the population of Greenock and Port Glasgow live at or below the supplementary benefit level; and what is his estimate of the national percentage living at or below supplementary benefit level.

Mr. Major: I regret that information on the percentage of people living at or below the supplementary benefit level in individual constituencies is not available. In 1981 just over 14 per cent. of the population of Great Britain lived in families where the head was either receiving supplementary benefit or where the income of the family was below the supplementary benefit level.

Reciprocal Social Security Agreements

Mr. Boyes asked the Secretary of State for Social Services if he intends to seek to negotiate a reciprocal social security agreement with Canada; and if he will list in the *Official Report* the countries with which the United Kingdom has reciprocal social security agreements.

Mr. Major: There is already a social security convention between the United Kingdom and Canada, but it is limited in scope and does not include pensions.

The United Kingdom has reciprocal social security conventions with the following countries:

Austria	Italy
Australia	Jamaica
Belgium	Jersey
Bermuda	Luxembourg
Canada	Malta
Cyprus	Mauritius
Denmark	Netherlands
Finland	New Zealand
France	Norway
Federal Republic of Germany	Portugal
	Spain
Gibraltar	Sweden
Guernsey	Switzerland
Iceland	Turkey
Ireland	United States of America
Isle of Man	Yugoslavia
Israel	

Prescriptions (Practice)

Mr. Gareth Wardell asked the Secretary of State for Social Services what information he has on the implementation of good prescribing practice as defined by the Medicines Commission, whereby prescribers ought invariably to endorse prescriptions on withdrawn drugs to the effect that the prescription had been issued deliberately and in full knowledge.

Mr. Hayhoe: I have no information on the endorsement of prescriptions for withdrawn drugs. The purpose of the endorsement "WD", that is, "withdrawn drug", is to indicate to the pharmacist that the prescription has been written in full knowledge of the drug's status. If any prescription is not so endorsed pharmacists are advised to confirm the doctor's intentions before dispensing the prescription.

Drugs (Safety)

Mr. Gareth Wardell asked the Secretary of State for Social Services if he will list in the *Official Report* those drugs that have been withdrawn during the last five years for safety reasons that have been subsequently prescribed by general medical practitioners.

Mr. Hayhoe: I regret that this information is not available. However, a special exercise carried out in the period January to March 1984 in respect of four withdrawn drugs indicated that 100 prescriptions out of a total of 80 million were for these drugs. I am not aware that the level of prescribing of withdrawn drugs gives any cause for concern.

Bed and Breakfast Accommodation

Mr. Hancock asked the Secretary of State for Social Services what survey his Department is making of the number of bed and breakfast establishments in each of the district councils in the county of Hampshire.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Severe Disablement Benefit

Mr. Frank Field asked the Secretary of State for Social Services (1) how many have qualified for the severe disablement benefit under *(a)* the transitional provisions and *(b)* passport conditions;

(2) how many qualified for the severe disablement benefit under an 80 per cent. assessment test.

Mr. Newton: The latest information available indicates that some 252,000 people have qualified for severe disablement allowance under the transitional provisions for those formerly entitled to a non-contributory invalidity pension, and that, as at 11 March 1986, a further 5,700 people have qualified by satisfying the 80 per cent. disablement condition for the allowance.

Member's Question

Dr. Godman asked the Secretary of State for Social Services, further to his answer of 19 May, *Official Report*, column *63*, when he expects to reply to the question from the hon. Member for Greenock and Port Glasgow on additional staff for special claims sections.

Mr. Major: I refer the hon. Member to my reply to him on 5 June 1986.

General Managers

Mr. Kirkwood asked the Secretary of State for Social Services to what extent general managers have been appointed in regions, districts and units of the National Health Service.

Mr. Hayhoe: The process is very nearly complete. Regional and district appointments were completed some time ago, although there are currently three vacancies at district level. I understand that 539 appointments out of an estimated total of 605 appointments have been made at unit level.

Retirement Age (Women)

Mr. Hoyle asked the Secretary of State for Social Services what advice has been given to and by the regional health authorities and district health authorities in the light of the judgment in the Marshall case on the retirement age for women; and what action has been taken to implement this judgment in relation to the National Health Service.

Mr. Hayhoe: There is no national agreement on retirement age in the National Health Service and responsibility for retirement policies rests with individual district health authorities. Following the judgment in the Marshall case, these authorities were advised that they should cease to operate policies which forced a female employee to retire at an age earlier than a male counterpart.

Mr. Victor Paige

Mr. Dobson asked the Secretary of State for Social Services (1) on what terms Mr. Victor Paige was appointed as chairman of the National Health Service board of management;

(2) how much Mr. Victor Paige has been paid in respect of the current financial year;

(3) if Mr. Victor Paige's present termination of his contract was subject to any penalty clause; and if he will make a statement;

(4) on what terms Mr. Victor Paige terminated his contract as chairman of the National Health Service board of management;

(5) what assistance Mr. Victor Paige obtained from public funds with his private health insurance and his pension arrangements; and if he will make a statement.

Mr. Hayhoe: I shall let the hon. Member have replies as soon as possible.

NHS Staff (Pay)

Mr. Meacher asked the Secretary of State for Social Services what has been the percentage increase in pay and the cash increase at current prices, for nurses, doctors, and ancillary workers each year since 1970; and what, for each of these years, was the percentage increase in (i) the retail prices index and (ii) in national average earnings.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

West Middlesex Hospital

Mr. Jessel asked the Secretary of State for Social Services if he will list the dates for the stages in the procedure for the forthcoming appointment of a permanent consultant in the casualty department of the West Middlesex hospital; if he will ask the North West Thames regional health authority to hasten the appointment and if he will review the possibility of an appointment of a senior registrar; if he will make a statement on the establishment, the actual staffing recently and expected in the near future; and what action is being taken to provide emergency services.

Mr. Hayhoe: Strenuous efforts are being made to fill the vacancies in this accident and emergency department and I understand that the chairman of the Hounslow and Spelthorne health authority is keeping my hon. Friend informed about the detailed action being taken.

Pollution (Health Risks)

Mr. Ron Davies asked the Secretary of State for Social Services if he will provide estimates to show, for each major cause of airborne pollution, the relative health risks posed for the population at large.

Mr. Whitney: I am advised that the major air pollutants of concern to public health were smoke and sulphur dioxide from domestic and industrial combustion of coal and fuel oil. These used to be responsible for some acute and chronic lung disease. The implementation of the Clean Air Act 1956 has led to a substantial reduction in the concentration of these pollutants and the United Kingdom conforms with the more recent European Community directive that sets limit values designed to avoid risks to health. Studies undertaken to monitor the effectiveness of this action have found no evidence of adverse effects from current exposures.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will instruct his officers to inform all claimants with long-standing disabilities that they may be eligible for the long term rate of supplementary benefits; and if he will make a statement.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Mortgage Assistance

Mr. McCrindle asked the Secretary of State for Social Services if he will consider introducing legislation requiring mortgage assistance for those on supplementary benefit to be paid direct to the lender rather than the borrower; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Re-establishment Centres

Mr. Soley asked the Secretary of State for Social Services (1) what alternate provision has been made for those people attending re-establishment centres which are being closed;

(2) whether he will keep his Department's re-establishent centres open until such time as alternate provision has been made for those attending such centres;

(3) whether the recommendations of the second report of the Social Services Committee were taken into account when he decided to close the re-establishment centres; and whether the skilled staff will be transferred to the Manpower Services Commission to continue their work.

Mr. Major: I refer the hon. Member to my reply to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on 22 May at columns *317 to 319*.

Nursing and Residential Homes

Mr. McCrindle asked the Secretary of State for Social Services if he has any plans to seek to amend the legislation which lays down standards of conduct and protection required by those operating private nursing and residential homes; and if he will make a statement.

Mr. Whitney: I refer my hon. Friend to my reply to my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on 3 June.

South London Hospital for Women

Mr. Stuart Holland asked the Secretary of State for Social Services if he will direct South West Thames regional health authority to stop sale proceedings in respect of the site of the South London hospital for women, pending an inquiry into the conformity of that sale with National Health Service guidelines on consideration of the development needs of other health authorities; and if he will make a statement.

Mr. Hayhoe: As the South West Thames regional health authority has followed the Department's guidance on the sale of surplus property, it would not be appropriate to stop sale proceedings.

Dental Treatment

Mr. Heathcoat-Amory asked the Secretary of State for Social Services what action he is taking to implement the recommendations in the report of the committee of inquiry into unnecessary dental treatment concerning orthodontic treatment.

Mr. Hayhoe: I have set up a committee under the chairmanship of Professor James Moss with the following terms of reference:

"In the light of present knowledge from research, and experience of the use of indices of occlusion, to make recommendations by the end of the year on the development of an index of occlusion for use by the Dental Estimates Board."

The Members of the committee will be:

Professor James P. Moss PhD, BDS, FDS, DOrth, RCS (Chairman);
Professor W. C. Shaw BDS, MScD, PhD, FDS, DOrth DDO;
H. G. Lewis Esq FDS, DOrth RCS;
David Watson James Esq BDS, LDS;
J. C. Bailey Esq LDS, DOrth, RCS.

Food Imports (Safety)

Mr. Heathcoat-Amory asked the Secretary of State for Social Services what arrangements have been made following the lifting on 31 May of the European Community ban on food imports from certain eastern European countries to ensure the safety of food imported into the United Kingdom.

Mr. Hayhoe: European Council Regulation No. 1707/86 provides that from 31 May in order to protect public health the maximum cumulative levels of caesium 134 and 137 in certain foods imported into the Community from third countries should not exceed 370 becquerels per kilogram for milk and for foodstuffs intended for infants up to the age of six months and 600 bequerels per kilogram for all other foods. The regulation expires on 30 September 1986. Procedures under the regulation allow for the issue in countries of origin, as part of the monitoring arrangements, of certificates to accompany consignments of foodstuffs confirming that the health standards required by the regulation are met.

Port health authorities in the United Kingdom have been informed of the new arrangements. We have informed the Governments of Austria, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary,

Poland, Romania, Soviet Union, Sweden and Yugoslavia that exports to this country of fresh, frozen and processed fruit and vegetables and dairy products should be accompanied by a certificate. For meat and meat products, compliance with the agreed levels is being made a condition of the health marks required under existing Community legislation. Certified consignments of these foodstuffs will continue to be monitored by port health authorities in accordance with normal practice by use of their existing powers under the Imported Food Regulations 1984.

Accident and Emergency Departments

Mr. Dobson asked the Secretary of State for Social Services if he will list the National Health Service hospitals which had accident and emergency departments in 1978; and if he will list the hospitals with accident and emergency departments in 1984.

Mr. Whitney [*pursuant to his reply*, 12 May, c. *384*]: I regret that the information requested for 1978 cannot be provided without incurring disproportionate cost. Lists giving the information requested for 1984 have been placed in the Library.

Supplementary Benefit

Mr. Dewar asked the Secretary of State for Social Services how many statutory single payments were made to pensioners in Scotland under the supplementary benefit rules in each of the last five years for which records are available.

Mr. Newton [*pursuant to his reply*, 22 May 1986, c. *315*]: The information requested is as follows:

Year (May to April)	*Number of single payments awards to pensioners in Scotland*
1981-82	47,110
1982-83	36,426
1983-84	42,982
1984-85	79,109
1985-86	*110,615

* Provisional.
Source: Management Information System—100 per cent. count.

District Health Authorities

Mr. Pavitt asked the Secretary of State for Social Services if he will publish in the *Official Report* a list of district health authorities which are conterminous with the local authority dealing with services for senior citizens, environmental health, mental illness and provisions for the disabled.

Mr. Whitney [*pursuant to his reply*, 15 May 1986, c. *532*]: The following district health authorities are conterminous with the local authorities indicated. Local authority services for mental illness and for disabled people, and most services for senior citizens, are provided by social services departments which are the responsibility of county councils, metropolitan district councils and London borough councils. District councils and London boroughs provide environmental health services and assistance with the housing of disabled people. Non-metropolitan district councils may also provide some services for the welfare and recreation of senior citizens.

District health authority	*Local authority (Non-metropolitan district councils unless otherwise indicated)*
Northern Regional Health Authority	
Northumberland	Northumberland (CC) which includes Berwick-upon-Tweed, Alnwick, Castle Morpeth, Wansbeck, Blyth Valley, Tynedale Districts
South Cumbria	South Lakeland
South Tees	Langbaurgh and Middlesbrough
Hartlepool	Hartlepool
North Tees	Stockton-on-Tees
Darlington	Teesdale and Darlington
South West Durham	Wear Valley and Sedgefield
Durham	Durham, Easington, Chester-le-street
North West Durham	Derwentside
Newcastle	Newcastle-upon-Tyne (MD)
North Tyneside	North Tyneside (MD)
South Tyneside	South Tyneside (MD)
Sunderland	Sunderland (MD)
Gateshead	Gateshead (MD)
Yorkshire Regional Health Authority	
Calderdale	Calderdale
Scunthorpe	Boothferry, Scunthorpe, Glanford
East Yorkshire	East Yorkshire and Beverley
Hull	Kingston upon Hull, Holderness
Grimsby	Cleethorpes, Great Grimsby
Trent Regional Health Authority	
Barnsley	Barnsley (MD)
Doncaster	Doncaster (MD)
Rotherham	Rotherham (MD)
Sheffield	Sheffield (MD)
Bassetlaw	Bassetlaw

District health authority	*Local authority (Non-metropolitan district councils unless otherwise indicated)*
Leicestershire	Leicestershire (CC) which includes North West Leicestershire, Charnwood, Melton, Rutland, Oady and Wigston, Harborough, Blaby, Leicester, Hinckley and Bosworth
North West Thames Regional Health Authority	
North Bedfordshire	North Bedfordshire, Mid Bedfordshire
South Bedfordshire	South Bedfordshire, Luton
North Hertfordshire	North Hertfordshire, Stevenage
East Hertfordshire	Welwyn and Hatfield, East Hertfordshire, Broxbourne
North West Hertfordshire	Dacorum, St. Albans
South West Hertfordshire	Three Rivers, Watford, Hertsmere
Barnet	Barnet (LB)
Brent	Brent (LB)
Ealing	Ealing (LB)
Harrow	Harrow (LB)
Hillingdon	Hillingdon (LB)
North East Thames Regional Health Authority	
West Essex	Uttlesford, Harlow, Epping Forest
Southend	Rochford, Castle Point, Southend-on-Sea
Basildon and Thurrock	Basildon, Thurrock
Redbridge	Redbridge (LB)
Waltham Forest	Waltham Forest (LB)
Enfield	Enfield (LB)
Haringey	Haringey (LB)
Islington	Islington (LB)
Tower Hamlets	Tower Hamlets (LB)
Newham	Newham (LB)
City and Hackney	Hackney (LB), City of London
Barking, Havering and Brentwood	Barking (LB), Havering (LB), Brentwood
South East Thames Regional Health Authority	
Bromley	Bromley (LB)
Bexley	Bexley (LB)
Greenwich	Greenwich (LB)
South West Thames Regional Health Authority	
Croydon	Croydon (LB)
Merton and Sutton	Merton (LB), Sutton (LB)
Wessex Regional Health Authority	
West Dorset	West Dorset, North Dorset, Weymouth and Portland
East Dorset	Purbeck, Poole, Bournemouth, Christchurch and Wimborne
Isle of Wight	Isle of Wight (CC) which includes South Wight and Medina Districts
Salisbury	Salisbury—(plus extra territorial arrangements for New Forest)
Oxford Regional Health Authority	
Kettering	Corby, Kettering, East Northamptonshire and Wellingborough
Northamptonshire	South Northamptonshire, Northampton, Daventry
Milton Keynes	Milton Keynes
Aylesbury Vale	Aylesbury Vale
South Western Regional Health Authority	
Somerset	Somerset (CC) which includes: West Somerset, Taunton Deane, Sedgemoor, Mendip and Yeovil Districts
North Devon	Torridge and North Devon
West Midlands Regional Health Authority	
South Warwickshire	Stratford-on-Avon and Warwick
Rugby	Rugby
North Warwickshire	North Warwickshire and Nuneaton and Bedworth
North Staffordshire	Newcastle-under-Lyme, Stoke on Trent and Staffordshire Moorlands
Mid Staffordshire	Stafford, South Staffordshire and Cannock Chase
South East Staffordshire	East Staffordshire, Lichfield and Tamworth
Shropshire	Shropshire (CC) which includes South Shropshire, Bridgnorth, Shrewsbury and Atcham, The Wrekin, North Shropshire and Oswestry Districts
Coventry	Coventry (MD)
Solihull	Solihull (MD)
Dudley	Dudley (MD)
Wolverhampton	Wolverhampton (MD)
Walsall	Walsall (MD)
Sandwell	Sandwell (MD)

District health authority	*Local authority (Non-metropolitan district councils unless otherwise indicated)*
Mersey Regional Health Authority	
Liverpool	Liverpool (MD)
St. Helens and Knowsley	St. Helens (MD), Knowsley (MD)
North Western Regional Health Authority	
Lancaster	Lancaster
Blackpool, Wyre and Fylde	Blackpool, Wyre, Fylde
Preston	Preston
Blackburn, Hyndburn and Ribble Valley	Ribble Valley, Hyndburn, Blackburn
Burnley, Pendle and Rossendale	Burnley, Pendle, Rossendale
Chorley and South Ribble	South Ribble, Chorley
West Lancashire	West Lancashire
Wigan	Wigan (MD)
Bolton	Bolton (MD)
Bury	Bury (MD)
Rochdale	Rochdale (MD)
Oldham	Oldham (MD)
Stockport	Stockport (MD)
Trafford	Trafford (MD)
Salford	Salford (MD)

Notes:
CC = County Councils.
MD = Metropolitan districts.
LB = London Boroughs.
Some district health authorities may relate to some services provided by local authorities other than those with which they are conterminous.

Written Answers to Questions

Tuesday 10 June 1986

WALES

Welsh Development Agency Factories

Mrs. Clwyd asked the Secretary of State for Wales what is the present employment level in Welsh Development Agency factories; and how it compares with the figures for 1979.

Mr. Nicholas Edwards: At 31 December 1985 employment in Welsh Development Agency factories and estates totalled 43,887. This is the latest available figure. At 31 December 1979 the number was 58,100.

Data Protection

Mr. Cohen asked the Secretary of State for Wales how many registrations his Department has made under the Data Protection Act; how many people are involved with implementing the legislation in his Department as a significant part of their job description; and how much he estimates it will cost to conform with the eight data protection principles.

Mr. Nicholas Edwards: My Department has submitted 35 applications for registration under the Data Protection Act. Three officials have specific responsibilities under the Act which will occupy a significant portion of their time. No reliable estimate of the cost of conforming with the data protection principles can be made until administrative procedures for response to subject access requests have been finalised.

Perinatal Mortality Rates

Mr. Carter-Jones asked the Secretary of State for Wales if he will list the perinatal mortality rates for 1984 for babies weighing *(a)* under 1,500 g, *(b)* 1,500 to 2,499 g *(c)* 2,500 plus g and *(d)* babies with unstated birthweight in Wales and each health authority.

Mr. Mark Robinson: The information requested is given in the following table. At the district health authority level some of the perinatal mortality rates are based on very small numbers of perinatal deaths and quite large differences are to be expected by chance variation.

Perinatal mortality rates, 1984*

Health authority	*Birthweight:* *Under 1,500 g*	*1,500 to 2,499 g*	*2,500 g and over*	*Not stated*
Clwyd	317·1	69·0	5·1	142·9
East Dyfed	444·4	84·6	2·6	222·2
Pembrokeshire	600·0	25·3	2·3	1,000·0
Gwent	360·7	46·4	4·5	500·0
Gwynedd	266·7	74·3	4·3	—
Mid Glamorgan	500·0	49·0	3·8	428·6
Powys	615·4	13·5	7·6	—
South Glamorgan	383·0	32·3	2·0	269·2
West Glamorgan	333·3	56·3	3·3	166·7
Wales	405·0	50·8	3·8	279·4

* Stillbirths and first week deaths per 1,000 total births.
Source: Office of Population Censuses and Surveys.

Birthweight Statistics

Mr. Carter-Jones asked the Secretary of State for Wales if he will list the total number of births in 1984 of babies weighing *(a)* under 1,500 g, *(b)* 1,500 to 1,999 g, *(c)* 2,000 to 2,499 g, *(d)* 2,500 to 2,999 g, *(e)* 3,000 to 3,499 g, *(f)* 3,500 to 3,999 g, *(g)* 4,000 plus g and *(h)* babies with unstated birthweight for Wales and each health authority.

Mr. Mark Robinson: The information is given in the following table:

Total births (live births and stillbirths) to women usually resident in Wales, 1984

Health authority	*Birthweight in grammes* *Under 1,500*	*1,500 to 1,999*	*2,000 to 2,499*	*2,500 to 2,999*	*3,000 to 3,499*	*3,500 to 3,999*	*4,000 and over*	*Not stated*	*All birthweights*
Clwyd	41	55	177	782	1,767	1,454	515	7	4,798
East Dyfed	18	30	100	382	936	748	279	9	2,502
Pembrokeshire	10	14	65	211	550	389	138	1	1,378
Gwent	61	90	255	1,049	2,234	1,582	526	2	5,799
Gwynedd	15	37	111	448	1,094	750	247	2	2,704
Mid Glamorgan	74	94	375	1,337	2,901	2,121	736	14	7,652
Powys	13	17	57	200	461	386	131	1	1,266
South Glamorgan	47	76	265	1,010	2,025	1,476	462	26	5,387
West Glamorgan	42	43	188	791	1,706	1,354	454	6	4,584
Wales	321	456	1,593	6,210	13,674	10,260	3,488	68	36,070

Source: Office of Population Censuses and Surveys.

Public Sector Housing Starts

Mr. Barry Jones asked the Secretary of State for Wales how many public sector housing starts are planned for 1986-87 in Wales; what was the comparable figure for 1980-81; and if he will make a statement.

Mr. Mark Robinson: The figures for planned public sector housing starts are not available as estimates are not held centrally.

Bus Deregulation

Mr. Barry Jones asked the Secretary of State for Wales how much has been spent by the Transport and Road

Research Laboratory on investigating the impact of bus deregulation in Wales; how much is budgeted for future spending; and if he will make a statement.

Mr. Wyn Roberts: The Transport and Road Research Laboratory is investigating the impact of bus deregulation throughout Great Britain. In Wales two area studies are being undertaken; one is West Glamorgan and one in the districts of Colwyn, Rhuddlan, Glyndwr and Montgomery. These two studies are being funded jointly by the Welsh Office and the Department of Transport. The total cost, including that of any associated surveys, is expected to be of the order of £120,000 in the two years up to December 1987. Expenditure to date has been £6,700.

Hospital Construction and Design

Mr. Barry Jones asked the Secretary of State for Wales what steps he plans to take to avoid or reduce errors in the design or construction of Welsh hospitals; and if he will make a statement.

Mr. Mark Robinson: We constantly have under review the effective management and control of health building schemes to avoid and reduce the incidence of errors in design and construction. The code of practice covering all aspects of building and engineering contracts has been revised and expanded. The procedural guidance for progressing health building schemes throughout all stages from inception to completion has been strengthened and improved.

Hospital, Nursing and Ancillary Geriatric Services

Mr. Barry Jones asked the Secretary of State for Wales if he has any plans to increase resources for hospital, nursing and ancillary geriatric services in Wales; and if he will make a statement.

Mr. Mark Robinson: The revenue provision this year for hospital and community health services in Wales has been increased by £47 million or an increase of 7·6 per cent. by comparison with last year. The level of funds to be made available in future years will be decided within this year's public expenditure survey.

Secondary Schools (Closures)

Mr. Barry Jones asked the Secretary of State for Wales how many secondary schools subject to a section 12 order have been kept open as the result of an appeal to the Secretary of State by parents or governors in each of the last seven years in Wales; and if he will make a statement.

Mr. Wyn Roberts: My right hon. Friend the Secretary of State for Wales rejected section 12 proposals involving the proposed closure of two secondary schools in 1983, and three secondary schools in 1984. In making such decisions, he takes into account not only statutory objections but all relevant information available.

General Certificate of Secondary Education

Mr. Barry Jones asked the Secretary of State for Wales how many representations he has now received in total against the proposed introduction of the general certificate of secondary education; and how many of these are from *(a)* local education authorities, *(b)* examination boards or groups, *(c)* independent or private schools, *(d)* state schools and *(e)* right hon. and hon. Members and other individuals; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply given on 9 June to my hon. Friend the Member for Vale of Glamorgan (Sir R. Gower).

Youth Service

Mr. Barry Jones asked the Secretary of State for Wales what information he has on expenditure *(a)* in the last year for which figures are available and *(b)* in 1982-83 on training of part-time youth leaders in Wales; if he plans to increase funds available to the youth service; and if he will make a statement.

Mr. Wyn Roberts: Information about expenditure on the training of part-time youth leaders is not collected centrally. Funding of the statutory youth service is a matter for the local authorities which are responsible for providing a service in their own areas. Welsh Office funding for the voluntary youth service is expected to be maintained at its present level.

Select Committee Report

Mr. Mason asked the Secretary of State for Wales what are the estimated costs to his Department of carrying out the accepted recommendations of Select Committee reports for the year March 1985 to March 1986.

Mr. Nicholas Edwards: As far as the Committee on Welsh Affairs is concerned, there are no extra costs to my Department for meeting the accepted recommendations of the Committee's report on coastal sewage pollution in Wales. The necessary administrative actions were either in train or would have been put in train as part of the Welsh Office's oversight of water and sewage matters. The Welsh water authority has identified the work needed to improve the quality of bathing waters around the Welsh coast. This has been estimated to cost some £200 million, and the authority plans to complete it over the next 15 years.

PRIME MINISTER

Oil-related Activity

Q32. **Mr. Kennedy** asked the Prime Minister if, in view of the effect of lower oil prices on North sea developments, she has plans to introduce any alterations to the fiscal regime governing oil-related activity; and if she will make a statement.

The Prime Minister: I am not convinced that the effect of lower oil prices on North sea developments requires any easing of the fiscal regime governing oil-related activity. We shall, however, continue to keep the position under review.

Chernobyl Incident

Q104. **Mr. Dalyell** asked the Prime Minister if she will make a statement on the advice and material assistance given by Britain to the Soviet Union since the start of the Chernobyl incident.

The Prime Minister: As we have already told the House, Her Majesty's Government have offered whatever help

and assistance they can provide to the Soviet Union following the Chernobyl accident. The answer given on the 9 May by my hon. Friend the Under-Secretary of State for Foreign and Commonwealth Affairs to the hon. Member for Northampton, North (Mr. Marlow), at column *269*, sets out details of the equipment which has been provided to the USSR by the United Kingdom.

Manufacturing Industry

Mr. Hunter asked the Prime Minister what further measures she proposes to take to seek to increase output from manufacturing industry.

The Prime Minister: We shall continue to pursue vigorously policies which encourage sustained economic growth, falling inflation, and competitive enterprise. That is the best way to increased output both in manufacturing and in industry generally, as the experience of the past five years has shown.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for 10 June.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 10 June.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

European Council of Ministers

Mr. Teddy Taylor asked the Prime Minister if she will raise at the next meeting of the European Council the progress made in implementing the Council agreement of December 1984; and if she will make a statement.

The Prime Minister: Budgetary questions will be on the agenda of the 25-26 June European Council.

Quangos

Mr. Kaufman asked the Prime Minister, pursuant to her answer of 23 May to the hon. Member for Dundee, West (Mr. Ross) on quangos, *Official Report*, column *351*, if she will state, out of the 756 quangos which she listed as having been abolished, rationalised or substantially reduced, how many of those which had been reduced are still in existence; what form the rationalisation took in the relevant cases; of those which were rationalised how many are still in existence; how many of the 756 were completely abolished; and how many of the 756 still exist.

The Prime Minister [*pursuant to her reply*, 9 June 1986, c. *42*]: Four hundred and seven non-departmental public bodies have been completely abolished since 1979. In addition there has been a reduction of 194 in the number of NDPB's which form part of composite organisations such as the wages councils or area manpower boards. But in these cases the composite organisations themselves have not been abolished. A further 155 NDPB's have been rationalised, including five which have been subsequently abolished. The main forms of rationalisation have been:

(i) merging of two or more NDPB's;
(ii) abolition of an NDPB and its replacement by a new body;
(iii) absorption of an NDPB by its sponsor department or another NDPB;
(iv) transfer to the private sector.

SCOTLAND

Redundancies

Mr. Dewar asked the Secretary of State for Scotland if he will give for each of the last six years the number of redundancies notified to his Department, the total number of jobs involved and the number of company closures.

Mr. Rifkind: There are no comprehensive statistics on redundancies. The table shows information on the number of redundancies and closures affecting 10 or more workers notified to the Manpower Services Commission as due to occur in Scotland during the period January 1980 and December 1985.

Confirmed redundancies and closures in Scotland from January 1980 to December 1985

	Number of firms which have closed	*Number of workers redundant through closure*	*Total number of redundant workers (including those in column 2)*
1980	258	20,659	60,826
1981	283	18,441	59,039
1982	312	13,506	48,944
1983	227	12,238	41,538
1984	190	8,867	30,164
1985	204	8,738	26,424
	1,474	82,449	266,935

Mr. Dewar asked the Secretary of State for Scotland how many redundancies have occurred in each of the following categories in Scotland in each year since 1979 *(a)* manufacturing and *(b)* construction; and what has been the percentage total decline in employment in each category.

Mr. Rifkind: There are no comprehensive statistics on redundancies. The table shows the number of redundancies affecting 10 or more workers notified to the Manpower Services Commission as due to occur in Scotland in the manufacturing and construction industries during the period January 1979 to December 1985. The percentage decline in manufacturing employment between 1979 and 1985 was 28 per cent.; and the corresponding decline in construction industry employment was 26 per cent.

Confirmed redundancies in the manufacturing and construction industries from January 1979 to December 1985

	Manufacturing	*Construction*
1979	27,519	4,057
1980	44,804	9,143
1981	40,372	10,882
1982	32,054	8,403
1983	28,397	6,228
1984	18,601	5,607
1985	14,175	5,344
	205,922	49,664

Shipbuilding Closures

Mr. Dewar asked the Secretary of State for Scotland when he expects to announce details of special financial

and employment assistance for areas in Scotland hit by the recently announced shipbuilding closures comparable to the measures announced for the north-east of England by the Secretary of State for Trade and Industry; and if he will make a statement.

Mr. Rifkind: The main element of the Government's measures in response to British Shipbuilders' decision to reduce its shipbuilding capacity will be the creation of British Shipbuilders Enterprise Ltd., with support of up to £5 million in the current financial year. BSEL will operate in all the areas affected by job losses in British Shipbuilders, including Scotland, and will provide expert and practical services for former shipyard workers. An appropriate proportion of the additional £1 million for training made available by the Manpower Services Commission will also be deployed in Scotland, according to the needs of the workers to be made redundant, over and above the training and employment services normally made available by the MSC during redundancies.

The other Government assistance announced for the north-east of England by my right hon. Friend the Secretary of State for Trade and Industry, notably measures for derelict land reclamation and measures under the urban programme, are matters dealt with in Scotland principally by the Scottish Development Agency, and I am currently considering with the agency what measures might be taken in addition to its present activities in the affected areas. It is important to keep in mind that these areas already benefit from substantial Government assistance towards measures for job creation and physical and economic regeneration, including European regional development fund aid for shipbuilding closure areas.

Closures and Redundancies

Mr. Dewar asked the Secretary of State for Scotland if he will list the largest 25 closures or redundancies in Scotland since 1979, giving date, company name and total jobs lost in each instance.

Mr. Rifkind: The information requested cannot be provided since details of redundancies confirmed by individual companies are provided to the Manpower Services Commission in confidence.

Housing Statistics

Mr. Dewar asked the Secretary of State for Scotland when the Scottish Development Department's Scottish housing statistics for 1985 will be published.

Mr. Rifkind: Publication of "Scottish Housing Statistics, 1985" is expected before the end of July. It is also planned, later this month, to publish a statistical bulletin relating to the fourth quarter of 1985. This bulletin will contain a selection of key annual figures.

Road Construction Contracts

Mr. David Marshall asked the Secretary of State for Scotland if he will list the 10 contractors who have received the largest share of motorway and trunk road construction contracts in the past three years, giving for each contractor the total value of contracts received.

Mr. Ancram: During the three years ended 31 May 1986, 84 contracts each costing over £100,000 were awarded to 42 contractors. The 10 contractors who received the largest total shares of these contracts were as follows:

	£ million
1. Balfour Beatty Ltd.	22·6
2. Tractor Shovels (Contracts) Ltd.	19·9
3. Shanks & McEwan Ltd.	15·5
4. Whatlings (Civil Engineering) Ltd.	13·6
5. Norwest Holst Ltd.	12·4
6. Tarmac Construction Ltd.	11·2
7. Fairclough Scotland Ltd.	8·8
8. Morrison Construction Ltd.	7·8
9. A. Monk & Co. plc	6·6
10. W. J. Barr and Sons (Scotland) Ltd.	5·3

Mr. David Marshall asked the Secretary of State for Scotland if he will list all the road construction contracts which his Department intends to award in 1986-87, showing in each case the total value of the contract and the expenditure likely to be incurred in that year.

Mr. Ancram: Contracts for the following major schemes, each estimated to cost over £1 million, are expected to be let in 1986-87:

		Estimated Total Cost £ million
A75	Annan Bypass	15·29
A75	Castle Douglas Bypass	3·88
A75	Ringford Bypass	1·58
A82	Auchendennan to Arden (Loch Lomond)	1·50
A830	Kinsadel to Mallaig, Stage I	2·94
A9	Mound Bridges	1·90
A92	Murcar to Balmedie	5·90
A929	Kingsway to Powrie	3·50
A96	Auldearn Bypass	2·30
A96	Bucksburn to Tyrebagger, Stage I	3·30
A96	Forres Bypass	3·39

Start dates during the year, and hence likely expenditure in the year, are dependent on the completion of statutory procedures and monitoring of expenditure on schemes in progress. Depending on these factors, it might prove possible to bring some additional schemes into the programme for 1986-87.

Birthweight Statistics

Mr. Carter-Jones asked the Secretary of State for Scotland if he will list the total number of births in 1984 of babies weighing *(a)* under 1,500 gs, *(b)* 1,500 to 1,999 gs, *(c)* 2,000 to 2,499 gs, *(d)* 2,500 to 2,999 gs, *(e)* 3,000 to 3,499 gs, *(f)* 3,500 to 3,999 gs, *(g)* 4,000 gs plus and *(h)* babies with unstated birthweight for Scotland and each health board.

Mr. John MacKay: The available data are as follows:

Total births by birthweight and health board of residence 1984

Health board	Birthweight (gs) 1,500	1,500 to 1,999	2,000 to 2,499	2,500 to 2,999	3,000 to 3,499	3,500 to 3,999	4,000 plus	Not known	Total
Argyll and Clyde	65	71	244	1,033	2,159	1,635	515	7	5,729
Ayrshire and Arran	59	84	222	789	1,761	1,428	431	20	4,794
Borders*	11	14	47	193	414	291	121	—	1,091
Dumfries and Galloway	6	23	79	277	699	504	176	1	1,765
Fife	29	53	173	789	1,707	1,269	363	4	4,387
Forth Valley	38	36	136	580	1,188	910	339	6	3,233
Grampian	84	86	239	1,109	2,367	1,824	596	—	6,305
Greater Glasgow	144	199	598	2,510	4,747	3,212	1,049	9	12,468
Highland	15	28	89	386	918	839	333	5	2,613
Lanarkshire	71	110	355	1,299	2,700	2,127	727	4	7,393
Lothian*	74	122	383	1,476	3,136	2,465	847	8	8,511
Orkney	4	4	13	33	78	70	44	—	246
Shetland	—	3	11	39	104	104	50	—	311
Tayside	48	58	184	830	1,799	1,417	438	—	4,774
Western Isles	2	1	6	25	123	108	52	1	318
Other areas/not known	3	1	3	3	7	7	3	—	27
SCOTLAND*	650	930	2,849	11,363	24,470	18,115	6,146	84	34,607

* 1983 Data
Note: Data for 1984 are provisional

Perinatal Mortality

Mr. Carter-Jones asked the Secretary of State for Scotland if he will list the perinatal mortality rates for 1984 for babies weighing *(a)* under 1,500 g, *(b)* 1,500 to 2,499 g, *(c)* 2,500 g plus and *(d)* babies with unstated birthweight in Scotland and each health board.

Mr. John MacKay: The available data are as follows:

Perinatal mortality rates by health board of residence 1984*

Health Board	Birthweight (Grams) <1,500	1,500-2,499	2,500+	Not known	Total
Argyll and Clyde	461·5	54·0	3·6	1,000·0	12·7
Ayrshire and Arran	372·9	58·8	3·6	50·0	11·9
Borders†	181·8	16·4	2·9	—	7·3
Dumfries and Galloway	333·3	78·4	4·8	—	10·2
Fife	448·3	70·8	4·1	—	10·5
Forth Valley	368·4	40·7	4·0	—	10·2
Grampian	452·4	40·0	4·1	—	11·9
Greater Glasgow	305·6	57·7	3·4	222·2	10·5
Highland	266·7	94·0	5·3	—	10·7
Lanarkshire	380·3	53·8	2·5	500·0	9·6
Lothian†	527·0	51·5	3·5	125·0	11·0
Orkney	—	117·6	—	—	8·1
Shetland	—	71·4	6·7	—	9·6
Tayside	312·5	45·5	2·5	—	8·0
Western Isles	500·0	285·7	3·2	—	12·6
Scotland†	421·5	46·8	3·7	226·2	10·7

* Rates per 1,000 total births.
† 1983 data.
Data for 1984 are provisional.

Select Committee Report

Mr. Mason asked the Secretary of State for Scotland what are the estimated costs to his Department of carrying out the accepted recommendations of Select Committee reports for the year March 1985 to March 1986.

Mr. Rifkind: There are no costs involved for either the Scottish Office or the Highland and Islands development Board in implementing the accepted recommendations of the Scottish Affairs committee report on the HIDB other than the administrative costs of assessing the recommendations, and these are not readily quantifiable. Those recommendations of the Scottish Affairs Committee report on fisheries protection accepted by the Government called for changes in emphasis rather than new developments and therefore the associated costs are likely to be very small.

It is not possible to quantify the costs involved in assessing and, where appropriate, implementing the recommendations of other Select Committee reports in so far as they have a bearing on my responsibilities.

National Clean-up Scheme

Dr. Godman asked the Secretary of State for Scotland if he will list the Scottish organisations consulted before Mr. Richard Branson was invited to supervise the national clean-up scheme; what resources he will make available to

Investment (Return)

Mr. Adley asked the Chancellor of the Exchequer how he measures the rate of return on investments in different parts of the country.

Mr. MacGregor: With regard to public sector infrastructure, the Government look for the same rate of return on investment in all parts of the country. For investments that are considered under regional policy, grants are made only to investments in assisted areas and local factors may be taken into account in individual decisions, but the same criteria for efficiency are applied to all projects.

Value Added Tax

Mr. Tim Smith asked the Chancellor of the Exchequer how many late registrations for value added tax were recorded in the period 1 January to 31 May 1986; how many in the corresponding period of 1985; how many have incurred a penalty; in how many cases the penalty has been waived because of a reasonable excuse; whether any reasonable excuse other than serious illness has been accepted by Her Majesty's Customs and Excise; what was the aggregate tax outstanding in the penalty cases; and what was the aggregate penalty exacted.

Mr. Brooke: I regret that, since registration for VAT is dealt with at local VAT offices, some of the information requested, by my hon. Friend is not held centrally. Customs and Excise estimates that before the new penalty system was introduced belated notifications were in the range of 10,000 to 12,000 a year. Since the introduction of penalties under section 15 of the Finance Act 1985, some 3,200 penalties have been imposed. The aggregated value of the penalties imposed to 31 May 1986 is £1,645,000, and the aggregated tax outstanding about £5 million. A plea of reasonable excuse has been accepted by Customs and Excise in about 150 cases where registration was late. A substantial proportion of such cases have involved serious illness and the like, but a number of other excuses have also been accepted as reasonable on the particular facts concerned.

War Service Credits

Mr. Stanbrook asked the Chancellor of the Exchequer if he will list the dates from which war service credits were made payable to pensioners of the Home Civil Service, local government, police, local education authorities and other public services, respectively.

Mr. Brooke: Provision for civil servants to reckon war service for pension purposes was made in the Superannuation Act 1946. The arrangements apply to those who entered service before 1 July 1950. Similar arrangements have been introduced by other public services for those who were in employment or retirement on the following operative dates.

	Operative date
Local Government	1 April 1978
Police	1 April 1975
Fire	1 April 1975
Teaching — England and Wales	1 September 1974
— Scotland	20 July 1975
NHS	17 July 1975

Mr. Stanbrook asked the Chancellor of the Exchequer if he will give the basis of calculation for the addition of war service credits to the pensions of home civil servants, local government officers, police officers, teachers and other public service pensioners, respectively.

Mr. Brooke: The general basis for the public services is that war service rendered from age 18 reckons at half its length for pension purposes for those who entered service before 1 July 1950. Beneficiaries are required to pay appropriate contributions.

Single European Act

Mr. Teddy Taylor asked the Chancellor of the Exchequer what steps Her Majesty's Government intend to take to implement their obligations in the harmonising of economic and monetary policies in the Single European Act; and if he will make a statement.

Mr. Ian Stewart: My right hon. Friend will continue, in concert with other member states, to maintain sound financial conditions and downward pressure on inflation.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what steps Her Majesty's Government intend to take to implement their obligations on the harmonising of indirect taxation in the Single European Act; and if he will make a statement.

Mr. Brooke: I refer my hon. Friend to the reply I gave him on 12 May 1986 at column 348.

European Monetary System

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he will make a statement outlining the advantages and disadvantages which would accrue to the United Kingdom and the effect of the freedom to conduct economic policy in the United Kingdom in the event of a decision to join the exchange rate mechanism of the European monetary system.

Mr. Ian Stewart: I refer my hon. Friend to my statement in the dabate on 29 January, at columns 984-1006.

Tax Refunds

Dr. McDonald asked the Chancellor of the Exchequer if he will publish in the *Official Report* the cost of the refunds due to the miscalculation of tax relief given on any lump sum exceeding £50,000 paid since 6 April 1982; how many individuals are involved; and what is the average refund due.

Mr. Norman Lamont [*pursuant to his reply*, 9 June 1986, c. *76*]: It is not known centrally how many people may be entitled to a refund, or what the average refund due will be, but only lump sums over £50,000 are affected and there are thought to be relatively very few of these.

ENVIRONMENT

Housing (Homeless Persons) Act 1977

Mr. Heddle asked the Secretary of State for the Environment whether he has any plans to seek to amend the Housing (Homeless Persons) Act 1977 in the light of the House of Lords ruling in the case of Puhlhofer v Hillingdon borough council.

Sir George Young: I have no such plans at present. The key question is what effect, if any, the ruling could have on the way in which local authorities carry out their responsibilities. We shall be monitoring the position through our regular quarterly statistics and through a research study which is just starting on the operation of the legislation by local authorities.

Housing (Hull)

Mr. McNamara asked the Secretary of State for the Environment if he will now reply to Hull city council's bid for 1986-87 urban housing renewal unit target funds for *a*, Yorkshire Development Group, Maisonettes and Bransholme Court Estate; *b*, Newtown Project and *c*, Vertical Shelter Housing Scheme, Kinthorpe Orchard Park Estate.

Sir George Young: Hull city council's application for the Bransholme estate has raised some difficult issues which are still under consideration. I expect shortly to be able to announce the decision on its bid for Newtown court estate. With regard to the Orchard park estate, I refer the hon. Member to the announcement made in my reply of 26 March to my hon. Friend the Member for Leicester, East (Mr. Brandreth), at columns 500-501, which indicated the extent to which the proposals on the estate have qualified for targeted UHRU funds.

Small Businesses

Mr. Ashdown asked the Secretary of State for the Environment if he will list those measures introduced by his Department within the past year and intended to be of benefit to small businesses.

Mr. Ridley: My Department has introduced a number of measures, many of which are part of the deregulation initiative described in Cmnds. 9571 and 9794. In particular we have:

Set up and funded two pilot "one stop shops" in partnership with Nottingham City and Blackburn district councils, providing a single advice point within each local authority, to help small firm inquiries;

Provided that specific planning permission is no longer needed for certain extensions to industrial and warehouse buildings except in environmentally sensitive areas;

Published "A Step by Step Guide to Planning Permission for Small Businesses";

Published circular 2/86 "Development by Small Businesses" urging local planning authorities to be helpful in dealing with small firms' planning applications and adopt a commonsense approach to enforcement;

Included measures in the Housing and Planning Bill to extend the assured tenancy scheme to improved, repaired and converted dwellings; to simplify the planning system; and to improve procedures for planning applications and appeals;

Introduced simpler and more flexible building regulations covering England and Wales including inner London;

Given increased funding to the Development Commission to enable it to expand its factory workshop and redundant building grants programmes and the advisory and assistance services operated by its agency, the Council for Small Industries in Rural Areas.

Local Authority Services

Dr. Cunningham asked the Secretary of State for the Environment if he will list all the advice and circulars issued by his Department to local authorities since 1979 concerning standards of refuse collection, disposal and street cleansing; and if he will place copies in the Library.

Mr. Ridley: A list of the advice and circulars is as follows:

Waste Management Papers

No. 8 Heat Treatment Cyanide Wastes (Second Edition) 1988
No. 16 Wood Preserving Wastes 1980
No. 18 Asbestos Waste 1979
No. 20 Arsenic bearing Wastes 1980
No. 21 Pesticide Wastes 1980
No. 23 Special Wastes 1984
No. 24 Cadmium bearing Wastes 1984
No. 25 Clinical Wastes 1983

Local Authorities Circulars

4/84 Control of Pollution Act 1974 — Control of Pollution (Special Wastes) Regulations 1980
20/83 Hazardous Waste Inspectorate (Formation of)

Others

The Hazardous Waste Inspectorate — First Report
Hazardous Waste Management
An Overview 1988

Arrangements are being made for copies to be placed in the Library.

Dr. John Cunningham asked the Secretary of State for the Environment if he will list, and publish an analysis of, the responses received by his Department to the consultation paper "Competition in the Provision of Local Authority Services" issued on 14 February 1985.

Mr. Ridley: I shall answer this question shortly.

Parking Fines

Mr. Tony Banks asked the Secretary of State for the Environment under what circumstances a fine was incurred by his Department in South Audley Street in 1985.

Sir George Young: The fine was in respect of a Government car service car collecting a Minister from a lunchtime engagement in the area. I should add that the fine was wrongly attributed to the Department of the Environment in the answer I gave the hon. Gentleman on 4 June at columns *570-71*. It was incurred by the Department of Health and Social Security.

Mr. Tony Banks asked the Secretary of State for the Environment if he will give the total number of parking fines incurred by each Government Department in each year from 1973 to 1984.

Sir George Young: I shall answer this question shortly.

Mr. Tony Banks asked the Secretary of State for the Environment if he will detail the six parking fines incurred by non-ministerial vehicles during 1985.

Sir George Young: Four parking penalties were incurred by vehicles on GCS despatch duties and two were incurred by vehicles carrying officials.

Melton Borough Council

Mr. Lathan asked the Secretary of State for the Environment when he proposes to announce his decision on the Melton Borough Council (Burton Street) Compulsory Purchase Order 1984, following the public inquiry in January.

Sir George Young: The report of the inspector who carried out the public inquiry is being considered and my right hon. Friend the Secretary of State will issue his decision as quickly as possible.

Hampstead Heath

Mr. Tony Banks asked the Secretary of State for the Environment what is the current position regarding the future of Hampstead Heath.

Sir George Young: The London residuary body is preparing a consultation paper on the options for future ownership and management of the heath. It will be sent to interested parties for comment.

Seaside and Countryside Homes

Mr. Tony Banks asked the Secretary of State for the Environment what is the current position regarding the future of the Greater London council's seaside and countryside homes.

Sir George Young: I shall answer this question shortly.

Housing Associations

Mr. Shersby asked the Secretary of State for the Environment what restrictions have been imposed on the operation of the scheme operated by housing associations with the approval of the Housing Corporation whereby eligible tenants can buy suitable privately owned property on the open market with the aid of a discount, and why; and if he will make a statement.

Sir George Young: As present, only those eligible tenants whose applications were received before 23 August 1985 are being given approval to look for a property to buy. This is because of the popularity of the scheme and because, unlike the right-to-buy discounts, those available to tenants of charitable housing associations impose a direct cost on public funds which has to be accommodated within the Housing Corporation's cash limited approved development programme. Further funds have now been made available for the current financial year and we are reviewing with the Housing Corporation the possibility, of lifting restrictions on the later applicants who have been placed on a waiting list.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment (1) what guidance he is giving to the London residuary body in respect of transfers from the Greater London council mortgage account to private sector companies;

(2) if he will itemise the subjects covered by instructions, directives and guidance issued by his Department to each residuary body since abolition of the Greater London council and metropolitan county councils;

(3) if he will give his current estimate of the number of ex-Greater London council staff who have still not received full payment of outstanding moneys from the London residuary body;

(4) if he has given any guidance to the London residuary body in respect of the disposal or future use of County Hall;

(5) pursuant to his reply of 27 March, *Official Report*, column *621*, if it is his intention that the transfer of Greater London council seaside and country homes to a housing association will be made without charge.

Mr. Tracey: I shall answer these questions shortly.

Mr. Tony Banks asked the Secretary of State for the Environment if he will give an indicative figure of meetings between *(a)* officials and *(b)* Ministers with the London residuary body since abolition of the Greater London council.

Sir George Young: Since 1 April last, there have been three formal meetings between Ministers of this Department and members of the London residuary body; and about 20 meetings between officials of the Department and those of the London residuary body.

Water Authorities

Dr. Cunningham asked the Secretary of State for the Environment if he will list, and publish an analysis of, the responses received to date by his Department to the White Paper "Privatisation of the Water Authorities in England and Wales".

Mr. Ridley: My Department has received 280 letters from organisations and others, following publication of the White Paper. It is for the originators of those letters to publish their views, if they so wish. Many were seeking information.

Widdicombe Report

Dr. Cunningham asked the Secretary of State for the Environment if he will now announce the date for publication of the Widdicombe inquiry report on local government.

Mr. Ridley: I shall answer this question shortly.

County Hall

Mr. Tony Banks asked the Secretary of State for the Environment when he expects to receive proposals for the future use of County Hall; and if he will make a statement.

Sir George Young: Decisions on the future use of County hall are for the London residuary body, which is awaiting a consultants' report on its market possibilities.

Hostels

Mr. Wigley asked the Secretary of State for the Environment if he will estimate how many families with dependent children are currently living in hostels which have been declared unfit by environmental health officers.

Sir George Young: I regret that no information is kept centrally from which a reliable estimate could be made.

Rate Support

Mr. Phillip Oppenheim asked the Secretary of State for the Environment what is his estimate of the amount of Government support per ratepayer in 1986-87 in Derbyshire; and if he will give equivalent figures for Surrey, Wiltshire, Bedfordshire, Leicestershire and Gloucestershire.

Sir George Young: The information is as follows:

Aggregate Exchequer Grant per Domestic Ratepayer in 1986-87

	£
Derbyshire	512
Surrey	208
Wiltshire	619
Bedfordshire	425
Leicestershire	653
Gloucestershire	574

1. The figures include grants paid to the county council and the district councils.
2 Aggregate Exchequer Grant consists of Block Grant (the Department's initial estimates of entitlements prior to the first Rate Support Grant Supplementary Report), Domestic Rate Relief Grant and Transport Supplementary Grant as given in the Rate Support Grant Settlement Report, and specific grants as reported by authorities in their 1986-87 budget returns.

Mr. Phillip Oppenheim asked the Secretary of State for the Environment what amount of Government support per ratepayer was given in 1985-86 in Derbyshire; and if he will compare that figure with the years since 1978.

Sir George Young: The information for Derbyshire is as follows:

Aggregate Exchequer Grant Per Domestic Ratepayer

	£
1981-82	597
1982-83	597
1983-84	616
1984-85	675
1985-86	561

Notes

1. Information for years prior to 1981-82 is not readily available.
2. The figures include grants paid to the county council and the district councils.
3. Aggregate Exchequer Grant consists of Block Grant, Domestic Rate Relief Grant and Transport Supplementary Grant as given in the latest Rate Support Grant Reports and specific grants as reported by authorities on returns to the Department.

Departmental Staff

Mr. Tony Banks asked the Secretary of State for the Environment how many staff in his Department are currently engaged on planning work associated with London.

Sir George Young: There are 32 staff in the Greater London regional office currently engaged wholly or partly on planning work.

Written Answers to Questions

Friday 13 June 1986

HOUSE OF COMMONS

Photocopying (Costs)

Mrs. Peacock asked the Lord Privy Seal if the Services Committee will investigate the financial and practical implications of reducing the cost of photocopying, as set out in his answer of 9 June, *Official Report*, column 9, by wider use in the House of carbon paper.

Mr. Biffen: The Services Committee has in the past taken steps to encourage the increased use of carbon paper by Members' private secretaries. Modern office equipment is not always well adapted to the use of such paper, but I will draw my hon. Friend's suggestion to the attention of the Accommodation and Administration Sub-Committee, which keeps such matters under continuing review.

PRIME MINISTER

Anti-ballistic Missile Treaty

Mrs. Clwyd asked the Prime Minister if she will list the evidence she has received with regard to Soviet non-compliance with the anti-ballistic missile treaty.

The Prime Minister: I said in the House on 3 June that we regard it as important that the SALT 2 agreement continues to be observed by both sides. The same is true of the anti-ballistic missile treaty and other arms control agreements. We have made it clear that the Soviet Union has a case to answer on compliance issues with regard to the ABM treaty, particularly the Krasnoyarsk radar. We have repeatedly urged them to respond to legitimate United States concerns in appropriate ways, including through the machinery of the Standing Consultative Commission.

SALT 2

Mrs. Clwyd asked the Prime Minister if she will list the evidence she has received with regard to Soviet non-compliance with the SALT 2 treaty.

The Prime Minister: I refer the hon. Member to the answer my hon. Friend the Minister of State, Foreign and Commonwealth Office, the Member for Mid-Sussex (Mr. Renton) gave to my hon. Friend the Member for Cambridgeshire, South-West (Sir A. Grant) on 11 June.

Dr. Usamah Al-Baz (Meeting)

Mr. Latham asked the Prime Minister whether she will make a statement on her meeting with Dr. Usamah Al-Baz, Director of President Mubarak's Office for Political Affairs, on 6 June; and what message he conveyed to her from the President of Egypt.

The Prime Minister: We had a useful exchange of views on current developments in the middle east. Dr. Al-Baz conveyed President Mubarak's views on the need for renewed efforts to achieve a just and lasting settlement of the Arab-Israel dispute.

Quangos

Mr. Kaufman asked the Prime Minister, pursuant to her answer of 23 May to the hon. Member for Dundee, West (Mr. Ross) *Official Report*, column *351*, if she will explain the basis on which she gave the figure for the net reduction in the number of quangos since 1979 as 514, in the light of her statement in that answer that during the relevant period 242 new bodies have been created and of her statement in the answer to the right hon. Member for Manchester, Gorton, of 10 June that the number of bodies abolished was 407; and if she will make a statement.

The Prime Minister: Between 1979 and 1985 the gross reduction in the number of non-departmental public bodies (NDPB's) was 756. During that same period 242 new bodies were created, resulting in a net reduction of 514. Of the 756 gross reduction, 407 bodies were abolished outright. A further 194 cases involved the abolition of bodies (each an NDPB in itself) which formed part of larger composite organisations, but the composite organisation continued to exist. A further reduction of 155 was achieved by the merger of bodies or some other form of rationalisation as explained in my answer to the right hon. Member's earlier question on 10 June, at column 109.

ENVIRONMENT

Liverpool

Mr. Parry asked the Secretary of State for the Environment if he has any plans to visit Liverpool to meet leaders of the city council; and if he will make a statement.

Mr. Ridley: I have no plans at present to visit Liverpool, to meet the city councillors. I reaffirm my predecessor's statement to the city council that it must balance its budget within the resources available to it.

Departmental Costs

Mr. Madel asked the Secretary of State for the Environment whether any changes are proposed to his Department's running costs limit since the limit was announced in the summary and guide to the 1986-87 Supply Estimates (Cmnd. 9742).

Mr. Ridley: Yes. The running costs limit is to be increased by £1·511 million from £136·210 million to £137·721 million. The Department's running costs limit is being increased by £1·652 million to reflect the provision finally agreed for running costs in the Department's Main Estimates. In addition, however, the limit is being reduced by £0·141 million to £137·721 million, reflecting higher estimated VAT receipts (to be included in a revised Estimate for Class X, Vote 4).

Housing Management

Mr. Heddle asked the Secretary of State for the Environment what further steps the Government have taken, following their announcement in 1985 of funding for studentships at the London School of Economics, to encourage the development of new housing management courses.

Sir George Young: When speaking to the annual conference of the Institute of Housing this morning my right hon. Friend was pleased to announce that following negotiations between the Urban Housing Renewal Unit, the Institute of Housing, and Sheffield City polytechnic, a new full-time, two-year postgraduate course in housing management will be launched at Sheffield City polytechnic this autumn. It will meet the necessary professional criteria. My Department will provide funding, through the Economic and Social Research Council for 15 studentships a year for this course, which will, in my view, make a significant contribution to raising standards in public housing management.

The first year will be largely academic in content; most of the second year will be spent working with selected housing authorities and housing associations. The studentships will provide for maintenance and fees in the first year and for fees only in the second year.

I hope to see more courses which are worthy of our support come forward for next year.

Seaside and Countryside Homes

Mr. Tony Banks asked the Secretary of State for the Environment (1) what is the current position regarding the future of the Greater London council's seaside and countryside homes;

(2) pursuant to his reply of 27 March, column *621*, if it is his intention that the transfer of GLC seaside and country homes to a housing association will be made without charge.

Sir George Young [*pursuant to his reply*, 12 June 1986]: Discussions on the terms under which the homes will pass to a housing association are continuing between an association and the London Residuary Body.

Parking Fines

Mr. Tony Banks asked the Secretary of State for the Environment if he will give the total number of parking fines incurred by each Government Department in each year from 1973 to 1984.

Sir George Young [*pursuant to his reply*, 12 June 1986]: A detailed analysis of parking fines for the period 1980 to 1984 cannot be obtained without disproportionate cost. As stated in my reply of 11 June, at column *183*, detailed records for the period 1973 to 1979 are no longer available.

Local Authority Services

Dr. Cunningham asked the Secretary of State for the Environment if he will list, and publish an analysis of, the responses received by his Department to the consultation paper "Competition in the Provision of Local Authority Services" issued on 14 February 1985?

Mr. Ridley [*pursuant to his reply*, 12 June 1986]: More than 450 responses were received and a list of the main respondents was placed in the Library on 30 October 1985. The responses varied widely, and it would be very difficult to produce a meaningful and representative analysis. Respondents are of course free to make their views public if they wish.

Local Government (Widdicombe Report)

Dr. Cunningham asked the Secretary of State for the Environment if he will now announce the date for publication of the Widdicombe inquiry report on local government.

Mr. Ridley [*pursuant to his reply*, 12 June 1986]: I have not yet anything to add to the reply which my right hon. Friend the member for Mole Valley (Mr. Baker) gave to my hon. Friend the Member for Norwich, North (Mr. Thompson) on 14 May, at column *492*.

Local Government, Planning and Land Act 1980

Sir Patrick Wall asked the Secretary of State for the Environment how many times, and for what purposes, he has used his powers under section 73 of the Local Government, Planning and Land Act 1980.

Sir George Young: My right hon. Friend has powers under this section to direct local authorities that part of their annual capital allocation may be used only for specified projects of national or regional importance. He has issued such directions to Bradford city council for the National Museum of Photography; to the corporation of the City of London for the Barbican arts centre; to Derwentside district council for the Consett land reclamation scheme; to Preston borough council for the Preston docks redevelopment; to St. Helens metropolitan borough council for Operation Groundwork; to Southampton city council for the Western Esplanade geothermal energy project; to 52 authorities for coast protection works; and to 14 authorities for sea defence works.

Two former GLC projects, the Thames barrier and the River Brent flood prevention scheme, received similar treatment under the separate arrangements which applied to the GLC.

My right hon. Friend the Secretary of State for Transport has also issued directions in respect of certain highways, airports and port projects.

The power also contained in the section to direct that no part of an authority's allocation may be used in respect of a specified project has not been used.

EDUCATION AND SCIENCE

Higher Education (Funding)

Mr. Ron Brown asked the Secretary of State for Education and Science what recent representations he has received from Edinburgh university about the funding of higher education; and if he will make a statement.

Mr. Walden: My right hon. Friend has received a letter from the principal of Edinburgh university expressing concern about the level of university funding. The Government have already announced their willingness to consider additional funding for the universities if there is evidence of progress in implementing the policies of selectivity and rationalisation, financial management and improved standards of teaching.

Sex Education

Mr. Deakins asked the Secretary of State for Education and Science, pursuant to the answer of 3 June, *Official*

Report, column *480*, if he intends that sex education should now be part of the core curriculum in maintained primary and secondary schools; and if he will make a statement.

Mr. Chris Patten: The Government believe that, in the course of their period of compulsory education, all pupils should receive sex education as an essential element in the curriculum. Subject to the enactment of the Education Bill currently before the House, it is, however, for the local education authorities and schools to determine the way in which sex education should be provided for pupils in different age ranges, needs and circumstances. My right hon. Friend has already announced his intention shortly to publish a draft circular giving guidance in this field.

Nursery Teachers

Mr. Cartwright asked the Secretary of State for Education and Science (1) what information he has about the number of unfilled or partially filled vacancies for nursery teachers in inner London;

(2) if he has any evidence of a shortage of suitably qualified nursery teachers in *(a)* England and Wales and *(b)* Inner London; what steps he is taking to remedy the situation; and if he will make a statement.

Mr. Chris Patten: The recent report by Her Majesty's inspectorate on the effects of local authority expenditure policies on education provisions in England, 1985, points to evidence of shortages of qualified nursery teachers in some parts of the country. I do not have the figures for unfilled or partially filled vacancies for nursery teachers in the Inner London education authority but understand that this authority may be one of the worst affected.

As for the steps taken by the Government, I refer the hon. Gentleman to the answer of 14 April, at columns *228-29*, by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) to the hon. Member for Newham, North-East (Mr. Leighton) and to my own answer of 10 June, at column *154*, to my hon. Friend the Member for Bexhill and Battle (Mr. Wardle).

For the position in Wales, I refer the hon. Member to my right hon. Friend the Secretary of State for Wales.

Teachers of the Deaf

Mr. Hancock asked the Secretary of State for Education and Science what representations he has received with regard to the future of training for teachers of the deaf; and if he will make a statement.

Mr. Chris Patten: The Government consulted widely on the 1984 report from the Advisory Committee on the Supply and Education of Teachers (ACSET) about training to teach children with special educational needs, including the deaf. The decision to accept ACSET's recommendations that specialist qualifications should be acquired after a period of mainstream teaching experience, and to pursue the substitution of in-service courses for the existing specialist initial training courses, was announced in the White Paper "Better Schools". Since then my right hon. Friend has received a number of representations on the subject of training to teach the deaf, including several letters from hon. Members. Officials recently met representatives of the British Association for Teachers of the Deaf (BATOD) to discuss this and other issues.

Mr. Jonathan Savery

Mr. Wilkinson asked the Secretary of State for Education and Science whether he has yet received information from the Avon education authority as to the outcome of the disciplinary hearing concerning Mr. Jonathan Savery; and if he will make a statement.

Mr. Chris Patten: The disciplinary hearing cleared Mr. Savery of the charge of racism. The panel was evenly divided on whether Mr. Savery's actions amounted to such professional misconduct or misjudgment as to warrant formal disciplinary sanctions. Discussions are in progress between the LEA and Mr. Savery on his future deployment. My Department will keep in touch with developments.

Reye's Disease

Mr. Ashley asked the Secretary of State for Education and Science what research has been supported by his Department into Reye's disease, and what has been the cost.

Mr. Walden: I understand from the Medical Research Council that it is not supporting any research into Reye's syndrome. Research relevant to Reye's syndrome may be conducted in universities and medical schools using funds allocated for teaching and research on the advice of the University Grants Committee. Details of any such work are not collected centrally.

Educational Provision (HMI Reports)

Mr. D. E. Thomas asked the Secretary of State for Education and Science how many reports by Her Majesty's Inspectorate on the effects of local authority expenditure policies on educational provision in England have been made to his Department; and if he will state the date of publication of each report and the educational period covered by the report.

Mr. Chris Patten: There have been nine reports by Her Majesty's Inspectorate on the effects of local authority expenditure policies on education provision in England. Six have been published, as follows:

February 1981
March 1982
July 1983
May 1984
May 1985
May 1986

Each report is based on inspection evidence, and financial and statistical information in relation to individual local authorities, obtained during the previous autumn term.

University Funding

Mr. J. Enoch Powell asked the Secretary of State for Education and Science why Queen's University, Belfast, was not included among those to which his written reply, *Official Report*, column 14, 9 June, related.

Mr. Walden: Universities in Northern Ireland are the responsibility of my right hon. Friend the Secretary of State for Northern Ireland.

Careers Service

Mr. Lawler asked the Secretary of State for Education and Science what sums were expended, nationally and by

local education authorities, on the schools careers service in 1979-80, 1984-85 and 1985-86 in actual terms and at 1986 prices; and if he will make a statement.

Mr. Trippier: I have been asked to reply.
I refer my hon. Friend to my reply of 12 June.

TRADE AND INDUSTRY

Scotch Whisky

Mr. Sims asked the Secretary of State for Trade and Industry what steps have been taken by Her Majesty's Government to follow up the Prime Minister's approach to the Prime Minister of Japan at the Tokyo summit pressing for the removal of discriminatory tax and duty rates imposed on Scotch whisky.

Mr. Alan Clark We are continuing to press strongly for the removal of Japanese discrimination in the tax and duty facing Scoth whisky and other imported alcoholic drinks. The European Community is to have further talks with the Japanese shortly, and we continue to take every opportunity to press the case bilaterally.

Mr. Sims asked the Secretary of State for Trade and Industry whether, during his recent visit to Korea, the Minister of State received any indication of the Korean Government's timetable for the liberalisation of bottled Scotch whisky.

Mr. Alan Clark: I regret that I did not, but I urged Korean Ministers to remove the restrictions on imports of bottled Scotch whisky, and I shall continue to press for an early response.

Electronics

Mr. Richard Page asked the Secretary of State for Trade and Industry if he will list the imports and exports of electronic/electrical products for each year from 1978 to 1984; and if he will give the best estimate for 1985 to date.

Mr. Alan Clark: The information requested is as follows:

*United Kingdom in Electronic Electrical Products**

	Imports	*Exports*
1978	3,407	3,887
1979	4,104	4,135
1980	4,408	4,767
1981	5,482	5,010
1982	6,814	5,892
1983	8,824	6,841
1984	11,154	8,717
1985	12,450	10,569

* Classes 33 and 34 of the standard industrial classification (1980).

Regional Development Agencies

Mr. Maclennan asked the Secretary of State for Trade and Industry if he will consider the establishment of regional development agencies in England with powers similar to those exercised by the Scottish Development Agency.

Mr. Peter Morrison [*pursuant to his reply*, 12 June 1986, c. *247*]: I have no plans to establish such agencies.

Japanese Vehicles (Import Restrictions)

Mr. Hoyle asked the Secretary of State for Trade and Industry, pursuant to the answer of 9 June, *Official Report*, column *42*, what are the quantitative restrictions against the import of Japanese vehicles which exist in Spain and Portugal which the EEC allowed to continue; and for how long these will be allowed to continue.

Mr. Alan Clark [*pursuant to his reply*, 12 June 1986, c. *248*]: The levels of these restrictions are set by the Governments of Spain and Portugal, although certain guidlines applicable to Portugal until the end of 1987 are laid out in protocol 23 of the treaty of accession, European Communities No. 27 (1985), a copy of which has been placed in the Library. Article 364 of the treaty requires the Portuguese to retain the restrictions covered by protocol 23 until at least the end of 1987. There are no other time constraints.

HOME DEPARTMENT

London Fire Brigade

Mr. Leighton asked the Secretary of State for the Home Department if he will list every fire station within the North East Area Command of the London Fire Brigade, indicating those where, in the opinion of Her Majesty's Inspectorate of Fire Services, the station ground is currently obtaining over provision of fire cover by the London Fire Brigade as defined in Home Office Fire Service Circular 4/1985 of 22 May 1985.

Mr. Giles Shaw: The fire stations in the north-east area command are as follows. The London Fire Brigade is presently discussing with Her Majesty's Fire Service Inspectorate the question of a comprehensive review of the standards of fire cover taking account of Fire Service Circular 4/1985. That circular, however, does not on its own provide a benchmark for assessing over-provision of fire cover. This is an issue for the Fire and Civil Defence Authority and the Chief Fire Officer to consider in ensuring the provision of adequate protection by effective, efficient and economic means. Her Majesty's Fire Service Inspectorate is conscious of this when inspecting the brigade.

C21: Shoreditch.
C22: Kingsland Road.
C23: Stoke Newington.
C24: Whitechapel.
F21: Stratford.
F22: Poplar.
F23: Millwall.
F25: Shadwell.
F26: Bethnal Green.
F27: Bow.
F28: Homerton.
F29: Leyton.
F30: Leytonstone.
J22: Chingford.
J23: Woodford.
J24: Walthamstow.
L21: East Ham.
L22: Ilford.
L23: Hainault.
L24: Romford.
L25: Dagenham.
L26: Hornchurch.
L27: Barking.
L28: Kennington.
L29: Silvertown.
L30: Plaistow.

Mr. Leighton asked the Secretary of State for the Home Department if he will give details of the 1987-88 provisional expenditure level he proposes to determine for the London Fire and Civil Defence Authority for fire brigade and civil defence purposes; and what is his estimate of the change in the present establishment of fire fighters, fire appliances and fire stations in the London

Fire Brigade as at 1 April 1986 that would result from the application of this provisional expenditure level in 1987-88.

Mr. Giles Shaw: My right hon. Friend hopes to announce his provisional determination of the expenditure level for the London Fire and Civil Defence Authority for 1987-88 towards the end of July. The expenditure level will reflect his assessment of the establishement required to provide an effective, efficient and economic level of service.

Mr. Leighton asked the Secretary of State for the Home Department if he has any plans to seek to make the use of the computerised fire cover model mandatory by the London Fire and Civil Defence Authority in determining Greater London's future fire cover; and if he will make a statement.

Mr. Giles Shaw: No.

Prisoners (Costs)

Mr. Janner asked the Secretary of State for the Home Department, pursuant to his answer to the hon. and learned Member for Leicester, West of 4 June, if he will give the details as to how he reached the average figure of £256 as the average weekly cost of keeping a person in prison in England and Wales during the financial year 1984-85.

Mr. Mellor: The figure of £256 was obtained by putting together information from the prison department costing system about the operating costs of the prison service in the financial year 1984-85 with information about the average inmate population of penal establishments over the same period. A description of the costing system is given in chapter 2 of the report on the work of the prison department 1984-85, a copy of which is in the Library. Table D in appendix 2 to the report shows net operating costs, average inmate population and weekly cost per inmate by penal establishment and region.

Women Prisoners (Brixton)

Mr. McNamara asked the Secretary of State for the Home Department (1) if he will publish in the *Official Report* a table detailing on a monthly basis the number of body searches, cell searches and cell changes carried out on each of the three women being held on remand at Her Majesty's prison, Brixton;

(2) how many strip searches were made of the three female prisoners held on remand in Her Majesty's prison, Brixton, during the first five months of 1986, detailing the number of times each person was strip searched per month; whether any contraband, smuggled item or illegal correspondence was discovered in any search, indicating which items; in how many cases prisoners refused to be searched and had to be restrained while the search was being conducted; and if he will indicate the reasons for the search, namely, making an appearance at a courthouse on remand, attending trial, inter-prison visits or other reasons.

Mr. Hurd: Strip searching is a routine security procedure, of long standing, to which all prisoners, male and female (including those on remand), are subject. It is essential to detect small items of contraband—such as weapons and drugs — which can easily be concealed about the person and which cannot be detected by other means of searching. Because of the nature and circumstances of the offences with which they were charged, all three women prisoners in Brixton were provisionally placed in the highest security category, category A, which is reserved for those prisoners whose escape would be highly dangerous to the public, or to the police, or the security of the State. In accordance with standard practice, they have been strip searched before and after court appearances, at the time of cell changes, and during wing and cell searches. The information requested is contained in the following tables covering the first five months of 1986:

1986	*Ms. Anderson*	*Ms. O'Dwyer*	*Mrs. Schulze*
Strip searches before and after court appearances			
January	nil	nil	nil
February	3	2	nil
March	2	2	nil
April	nil	nil	nil
May	34	34	nil
Strip searches after visits			
January	15	17	6
February	22	24	7
March	25	25	6
April	40	37	5
May	26	25	13
Strip searches at time of cell change, wing search or cell search			
January	6	7	6
February	5	6	6
March	4	6	6
April	6	6	6
May	2	2	5

For reasons which the hon. Member will understand, it is not the practice to disclose detailed information such as that requested about security arrangements — for example the frequency of cell changes or cell searches.

The trial of Ms. Anderson, Ms. O'Dwyer and their co-defendants opened at the Central Criminal Court on 6 May and they were convicted on 11 June.

There is no record of an occasion on which any of the prisoners has refused to be strip searched and been searched under restraint. To date, no unauthorised item has been found on any of the three women during a strip search. But the justification for strip searching lies not only in the fact that staff do discover items (such as drugs, syringes, plastic knives sharpened into daggers, and scissors) which they would not otherwise find, but also in the deterrent effect which such searching undoubtedly has.

Records are not kept of the occasions when rub-down searching, or "frisking", is carried out in prisons. Such searching is a routine security measure in prison establishments as it is in other circumstances — for example, at airports.

Suicides

Mr. Hancock asked the Secretary of State for the Home Department how many suicides for each of the last five years have been recorded by the Portsmouth coroner.

Mr. Mellor: The information requested is given in the following table:

Verdicts of suicide returned at coroners inquests in the Portsmouth coroners district

	Number
1981	22
1982	22
1983	20
1984	13
1985	17

Hippy Convoy

Mr. Chope asked the Secretary of State for the Home Department if he will seek a report from the chief constable of Hampshire setting out a schedule of the summonses and charges brought against members of the so-called hippy convoy whilst they were in Hampshire; and what information he has as to the penalties so far imposed by the courts.

Mr. Giles Shaw: I shall reply as soon as possible.

Prison Officers

Mr. Hancock asked the Secretary of State for the Home Department how many prison officers have left the service for each of the last five years excluding those who have taken normal retirement and retirement for medical reasons.

Mr. Mellor: The figures are as follows:

	*Number
1981	207
1982	191
1983	239
1984	227
1985	217

* Night patrols, temporary officers, prison auxilliaries and matrons are not included in the figures.

Mr. Hancock asked the Secretary of State for the Home Department how many new prison officer posts have been created in each of the last five years.

Mr. Mellor: The figures show additions to the complement of prison officer class posts, excluding trades officers, since 1 April 1983. Information for earlier years is not readily available.

	Number
1 April 1983 to 31 March 1984	1,057
1 April 1984 to 31 March 1985	668
1 April 1985 to 31 March 1986	889

Prison Disturbances

Mr. Hancock asked the Secretary of State for the Home Department what was the cost of the damage in each of Her Majesty's prisons in the recent disturbances.

Mr. Mellor: The information is as follows:

Establishment	Estimated cost £
Ashford	980
Bristol	148,000
Camp Hill	1,000
Cardiff	700
Castington	1,000
Deerbolt	300
Erlestoke	11,000
Glen Parva	100
Gloucester	2,000
Leicester	2,000
Lewes	25,000
Northallerton	1,000
Northeye	4,130,000
Preston	1,800
Pucklechurch	3,000
Send	5,000
Stafford	10,000
Standord Hill	5,000
Wandsworth	500
Wayland	41,800
Winchester	900
Wymott	100,000

Prison Psychologists

Mrs. Renée Short asked the Secretary of State for the Home Department how many *(a)* psychologists and *(b)* clinical psychologists are employed by the prison department; which prisons they work in; what are their main functions; and if he will make a statement.

Mr. Mellor: Eighty five psychologists are employed by the prison department; eight of these have clinical qualifications. The psychologists' main functions include assessment and counselling work with prisoners, training and advisory work with staff, consultancy services to management, and research.

A majority of prison psychologists have post-graduate qualifications relevant to the wide variety of tasks undertaken. Apart from those who work in headquarters, regional offices and the Prison Service College, psychologists are located in the following 25 establishments, and provide a visiting service in approximately 40 others:

HM Prisons at Acklington, Albany, Birmingham, Bristol, Frankland, Gartree, Grendon, Highpoint, Holloway, Leyhill, Lindholme, Long Lartin, Maidstone, Parkhurst, Pentonville, Wakefield, Wandsworth, Wormwood Scrubs.

HM Young Custody Centres at Aylesbury, Castington, Feltham, Glen Parva, Hindley, Portland, Rochester.

Clinical psychologists are located in Birmingham, Holloway, Leyhill, Maidstone, Parkhurst and Wormwood Scrubs prisons.

Mrs. Renée Short asked the Secretary of State for the Home Department how many National Health Service clinical psychologists provide consultant services in prisons; which prisons they work in; and if he will make a statement.

Mr. Mellor: Details of the consultancy work provided for the prison medical service are not readily available.

Prison Doctors

Mrs. Renée Short asked the Secretary of State for the Home Department whether any doctors in the prison medical service are eligible for any distinction or other merit awards; and if he will make a statement.

Mr. Mellor: The pay and conditions of service or prison medical officers are those of the Medical Civil Service

generally. There is no system of merit payments comparable to the distinction awards payable to certain consultants in the National Health Service.

Protected Cells (Cost)

Mrs. Renée Short asked the Secretary of State for the Home Department what is the average cost of construction of a new protected cell in a prison hospital; how many and which prison hospitals now contain such new cells; and what is his policy concerning the contfuction of further such cells.

Mr. Mellor: The standard for protected rooms to accommodate violent or seriosly disturbed patients in prison hospitals has recently been reviewed, and prototype protected rooms equipped to a new standard which includes a padded wall lining material and improved observation, ventilation and heating, have been installed at Birmingham and Holloway prisons by converting existing hospital accommoadtion. In addition, experimental tests of the lining material only have been carried out at Bedford prison. The total cost of the building and engineering work at Birmingham was £15,200 and the estimated cost of the work at Holloway is £12,600. It is not possible at present to say what the cost of a protected room to the higher standard in a new prison hosptial would be, but the cost of the wall lining material (which is included in the costs of the Birmingham and Holloway rooms) is £3,600. If these prototype rooms prove successful in operational use, similarly equipped rooms will be made a standard requirement in all new and refurbished prison hosptials.

Residential Homes (Fires)

Mr. Bermingham asked the Secretary of State for the Home Department what information he has about the number of fires in homes subject to the Registered Homes Act 1984 in *(a)* the private sector and *(b)* the public sector which required the services of the fire brigade.

Mr. Giles Shaw: Separate information on fires in homes subject to the Registered Homes Act 1984 is not available. The total numbers of firs attended by local authority fire brigades in England and Wales in 1984, in categories of premises which would include any such homes are:

	Numbers
Hospitals, including nursing homes	1,890
Residential welfare or charitable homes, including those for children, old people and the handicapped or disabled	968

These figures include premises in both the public and private sectors; public sector premises are not subject to the Registered Homes Act.

THE ARTS

Denning—Sadler Review

Mr. Tony Banks asked the Minister for the Arts if he will require the Arts Council to publish in full the recommendations of the Denning-Sadler review together with an indication of those which have been accepted; and if he will make a statement.

Mr. Luce [*pursuant to his reply*, 11 June 1986, c. *197*]: No. The review was undertaken by the Arts Council and decisions on publication rest with it. The Council has already published the decisions that underlie the reorganisation which is currently in progress, and which incorporates a structure more suited to its present requirements.

DEFENCE

Command and Control Systems

Mr. Meadowcroft asked the Secretary of State for Defence whether he has made any recent representations to his United States counterpart on command and control systems.

Mr. Stanley: My right hon. Friend has made no such representations.

Home Defence Force

Mr. Lyell asked the Secretary of State for Defence what is the current overall cost of the Home Defence Force.

Mr. Freeman: The Home Service Force is an integral part of the Territorial Army and, other than personnel costs, that is, those costs which can be attributed to an individual, it is not possible, without disproportionate effort, separately to identify all the costs required to calculate the overall cost.

Mr. Lyell asked the Secretary of State for Defence what is the current cost per man, and what has been the cost per man in past years, of the Home Defence Force.

Mr. Freeman: The cost per man of the Home Service Force in training year 1985-86 was £770 for soldiers and £1,095 for officers. The comparable figures for 1984-85, the earliest year in which figures were compiled, were £574 and £863. These figures do not include elements for accommodation and works services which are not readily identifiable from such costs for the Territorial Army: it is not possible therefore to calculate the overall cost per man of the Home Service Force.

Defence Contracts (Offset)

Mr. Stern asked the Secretary of State for Defence if he has any plans to improve the arrangements made by his Department to enable smaller companies to benefit from offset arrangements on offer to the United Kingdom in the defence procurement field.

Mr. Lee: Our experience in monitoring such arrangements suggests that small companies do benefit from offset work placed in the United Kingdom by overseas prime contractors. While the onus remains upon these prime contractors to identify suitable offset opportunities with British firms, the MOD, primarily through the Defence Export Services Organisation, offers advice to any United Kingdom company interested in bidding for offset work and to overseas contractors, by identifying potential sources of United Kingdom supply.

Pakistan (Frigates)

Mr. Chope asked the Secretary of State for Defence if he will make a further statement about the progress of negotiations for the export of frigates to Pakistan.

Mr. Lee: As the hon. Member will appreciate, this is a complex matter, negotiations are continuing with the

Pakistan Government and we are hopeful that they will soon reach a conclusion. Details must at present remain confidential for commercial reasons.

Defence Establishments (Portsmouth)

Mr. Hancock asked the Secretary of State for Defence if there are any plans to relocate any defence establishments currently in Portsmouth away from the area.

Mr. Freeman: As the hon. Member will be aware, studies into the use of the naval estate in Portsmouth are continuing, but we do not envisage that these will lead to the movement of any major units outside the Portsmouth area.

Petty Officer John Black

Mr. Latham asked the Secretary of State for Defence what were the specific duties of the late Petty Officer John Black during his posting at HMS Rooke, Gibraltar.

Mr. Freeman: The late Petty Officer Black was employed on sonar duties at HMS Rooke which any rating of his branch might be called upon to perform.

Mr. Latham asked the Secretary of State for Defence on what day in April 1982 the late Petty Officer John Black, Royal Navy, reported for duty at HMS Rooke, Gibraltar; and whether he remained there throughout the Falklands conflict.

Mr. Freeman: The late Petty Officer John Black reported for duty at HMS Rooke, Gibraltar on 26 April 1982. He remained at this establishment until he returned to HMS Dolphin in July 1983 for a course.

Schools of Music

Mr. Hancock asked the Secretary of State for Defence if he has yet made a decision with regard to the defence schools of music.

Mr. Freeman: No, although the review which my noble Friend the Minister of State for Defence Procurement announced on 12 February is well under way.

SCOTLAND

Small Businesses

Mr. Ashdown asked the Secretary of State for Scotland if he will list those measures introduced by his Department within the past year and intended to be of benefit to small businesses.

Mr. Allan Stewart: Responsibility for small firms matters in Scotland lies with the Industry Department for Scotland with services also being provided by the Scottish Development Agency and the Highlands and Islands Development Board. In addition to providing a number of services specific to Scotland, the Department along with the SDA and HIDB monitors United Kingdom measures introduced by other Departments. The following Scottish measures have been introduced since May 1985 to benefit the small firms sector.

Government Assistance Promoters (GAP) Scheme

Launched in April 1986, the scheme is aimed at making small companies aware of the range of Government assistance available and to help them benefit from that assistance. Like the Better Business Services (BBS) and Better Technical Services (BTS) Schemes, GAP has been introduced using finance from the European Regional Development Fund. Eleven experienced advisory organisations within Strathclyde and Tayside Regions have been appointed, and will be funded, to assist small companies in their area. There will be no charge for services.

Improved Advisory Services

In recognition of the need to improve advisory and information services to small firms, the SDA have introduced 2 new sources of data to their operations. First, the Agency's Small Firms Centres in Glasgow and Edinburgh have installed Strathclyde University's MIDAS (Micro Computer Industrial Development Assistance Scheme) Information Bank which provides detailed information of all schemes of assistance for small firms in Scotland; the data bank allows quick access to material requested by clients and monthly updating ensures that information on schemes of assistance is accurate. Second, the Agency published, in March 1986, a comprehensive guide for business advisors in Scotland: the "Financial Aid Guide" gathers together information on all the common grants, loans and incentives available to Scottish businesses. The Agency's local network of advice and assistance has also been improved by the opening of new small firms centres in Edinburgh and Stirling. Similarly the HIDB's local office network has been expanded with the opening of an office in Oban and four additional small business counsellors have been appointed in the HIDB area. In addition, the HIDB's business activity leaflets for small businesses were rationalised into a comprehensive advice brochure.

Information for small firms on the forms of assistance available from the Industry Department for Scotland was also improved during 1985 with the publication, in September, of a comprehensive Investment, Innovation and Technology and Export Assistance Handbook.

Local Enterprise Trusts

The range of assistance and support for small firms from Local Enterprise Trusts in Scotland continues to develop. Since May 1985 6 new Enterprise Trusts have been established bringing the total number in Scotland to 35. The Trusts are funded through assistance from the private sector, the SDA and local authorities.

Enterprise Funds for Youth (EFFY)

This pilot scheme, which is administered by four Enterprise Trusts and funded jointly by the Trusts and the SDA, completed its first year of operation during 1985. The scheme which provides loans of up £3,000 to new enterprises started by young people between the ages of 16 and 25, is being evaluated to consider its potential for wider application.

Programme for Rural Initiatives and Development (PRIDE)

The SDA introduced PRIDE during 1985 with approval of a first project in June. The scheme provides fixed asset funding as a catalyst to stimulate new small privately-led business initiatives which, like the Agency's DRAW (Development of Rural Area Workshops) scheme for small premises, will counter problems of unemployment and population decline in rural areas. During its first year, PRIDE has funded 16 projects with a total value approaching £6 million. £4·8 million of this funding came from the private sector with just under £1 million being contributed by the Agency.

Deregulation

The Scottish Office is working in tandem with Whitehall Departments in pursuing the deregulation initiative as outlined in the White Papers "Lifting the Burden" and "Building Businesses not Barriers". To date the principle measures taken have been in relation to simplification of planning procedures and building regulations.

Cash Limits

Mr. Pollock asked the Secretary of State for Scotland whether he will announce any increase in his cash limits to

take account of the pay settlements following the recommendations of the National Health Service review bodies.

Mr. Rifkind: Yes. Subject to parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class XVI, Vote 14 (Prisons, Hospitals and Community Health Services, etc., Scotland) will be increased by £5,882,000, from £1,598,270,000 to £1,604,152,000. This increase is to enable health services to be maintained and developed as planned following the decision to implement from 1 July 1986 the recommendations of the pay review bodies in respect of doctors, dentists, nurses, midwives and professionals allied to medicine, announced by my right hon. Friend the Prime Minister on Thursday 22 May 1986. This increase will be charged to the Reserve and therefore does not add to the public expenditure planning total.

NATIONAL FINANCE

Enter and Search Powers

Mr. Michael Brown asked the Chancellor of the Exchequer how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions; and, in each case if he will indicate the statutory authority under which power is exercised.

Mr. Peter Brooke: No Inland Revenue officer has power to enter and search premises except with the authority of a warrant issued by a circuit judge. An application may be made only wth the express approval of the Board of Inland Revenue which may not delegate the exercise of this function. the statutory authority under which this power is exercised is section 20C of the Taxes Management Act 1970.

Officers of Customs and Excise who have been issued with commissions have the power to enter and search premises under the statutory authorities are as follows. In most cases the powers require the issue of a warrant by a magistrate. Just over half the staff employed by Customs and Excise have been issued with commissions.

Customs and Excise powers of entry and search

Statutory authority	*Form of authority*	*Place to which there is power of entry*
Customs and Excise Management Act 1979 S161(3) and (4)	Magistrate's warrant	Any building or place where reasonable ground for suspecting existence of anything liable to forfeiture under customs and excise Acts.
S161(5)	Magistrate's warrant	Any building or place where reasonable ground for suspecting equipment or materials for manufacture of spirits.
S161(1)	Writ of assistance or by warrant	Any building or place where reasonable ground for suspecting existence of anything liable to forfeiture under customs and excise Acts.
Car Tax Act 1983 Schedule 1 paragraph 7(3)	Magistrate's warrant	Premises where reasonable ground to suspect offence in connection with car tax being committed (or has been or is about to be) or that there is evidence of such an offence.
Betting and Gaming Duties Act 1981 Schedule 1 paragraph 16	Magistrate's warrant	Premises where reasonable ground for suspecting offence concerned with general betting duty being committed (or has been or is about to be).
Schedule 3 paragraph 17	Magistrate's warrant	Premises where reasonable ground for suspecting offence concerned with bingo duty being committed (or has been or is about to be).
Schedule 4 paragraph 17	Magistrate's warrant	Premises not licensed for the purpose where reasonable ground for suspecting there are or have been or are about to be gaming machines.
S15(2)	Magistrate's warrant	Premises where reasonable ground to suspect an offence of illegal gaming being committed (or has been or is about to be) or that there is evidence of such an offence.
Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 Schedule 2 paragaph 12	Magistrate's warrant	In Northern Ireland, premises where reasonable ground for suspecting offence concerned with general betting duty being committed (or has been or is about to be).
Schedule 3 paragraph 17	Magistrate's warrant	In Northern Ireland, premises not licensed for the purpose where reasonable ground for suspecting there are or have been, or are about to be, gaming machines.
Value Added Tax Act 1983 Schedule 7 section 10.3	Magistrate's warrant	Premises where reasonable ground to suspect that a fraud offence of a serious nature is being, has been or is about to be committed, or evidence of such is to be found there.
Police and Criminal Evidence Act 1984 S8	Magistrate's warrant	Premises where reasonable grounds for believing that there is material likely to be relevant evidence.
S18		Premises occupied or controlled by a person who is under arrest for an arrestable offence, if reasonable grounds for suspecting that there is evidence relating to that, or another similar, offence.

Value Added Tax

Mr. Dover asked the Chancellor of the Exchequer what was his original estimate of the revenue in 1[illegible]85 and 1985-86 from the imposition of value added tax on takeaway foods; and what was the actual revenue gathered from this source in each year.

Mr. Brooke: When the imposition of value added tax on hot take away food was announced in the 1984 Budget, it was estimated that the net revenue yield would be £125 million in 1984-85 and £200 million in a full year. No estimate was made for 1985-86.

Value added tax paid in respect of hot take away food and drink is not separately identified in Customs and Excise accounts, nor is it possible to produce a reliable estimate from consumers' expenditure data, since the latest survey information relates only to 1984, when expenditure patterns were distorted by the immediate effects of imposing value added tax.

Mr. Dover asked the Chancellor of the Exchequer what is his estimate of the implications for employment in the takeaway food industry of the imposition of value added tax in the Budget of 1984.

Mr. Brooke: No reliable information is available on employment in the hot take away food industry. In any case, it would not be possible to isolate and evaluate separately the effects of imposing value added tax on hot take away food and drink from those of other changes, such as trends in consumers' tastes, fluctuations in the price of raw materials, and the consequences of competition in the industry.

Mr. David Atkinson asked the Chancellor of the Exchequer what progress he has made with his negotiations with the Community on raising value added tax thresholds.

Mr. Brooke: As indicated in the reply to my hon. Friend on 17 April 1986 at column 483, negotiations have been continuing with the Commission with a view to allowing member states greater flexibility in determining their threshold. We are now awaiting the Commission's formal proposals.

EC (Contributions)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what was the actual net payment to the European Economic Community in 1985; and what were the comparable figures in 1975 and 1980, respectively.

Mr. Brooke: The latest estimate of the United Kingdom's net contribution to the European Economic Community in 1985 is £1,870 million. The special reasons why the figure was so large were explained in my reply of 3 March 1986 to my hon. Friend the Member for Dulwich (Mr. Bowden) at column 69. Our net contribution in 1980 was £706 million, while in 1975 we benefited from net receipts of £56 million. United Kingdom contributions during the period 1975-79 were, of course, reduced by the transitional financial arrangements applying for the first four years after accession.

Pensions (Taxation)

Mr. Stern asked the Chancellor of the Exchequer what representations he has received seeking the introduction of taxation of pension lump sums or the withdrawal of tax relief on employers' pension contributions.

Mr. Norman Lamont: In recent weeks, none.

Civil List

Mr. Canavan asked the Chancellor of the Exchequer what recent discussions he has had about Civil List expenditure; and if he will make a statement.

Mr. MacGregor: My right hon. Friend gives careful consideration to civil list expenditure each year.

EC (Currency Unit)

Mr. Deakins asked the Chancellor of the Exchequer, pursuant to the answer of 9 June, *Official Report*, column *76*, whether the figures given for the rate of exchange for the ecu to the United States dollar referred to the budget approved by the Council or to that approved by the Assembly; and if he will also give the appropriate figure for whichever of the budgets his original answer did not cover.

Mr. Brooke: To both.

Personal Taxation

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer (1) what would be the changes in the yield of income tax, higher rate tax and employee's contributions to national insurance in 1986-87 if the combined rates were consolidated at 40 per cent. of taxable incomes with the tax allowances remaining as at present;

(2) if he will publish a table showing his estimate for the current financial year of the numbers of people who will be liable to pay income tax, higher rate tax and employee's contributions to national insurance, divided into the main categories on the basis of the combined rates of deduction from income for which they will be liable.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

EC (Budget)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what is the sum, expressed in pounds sterling, which the European Court determined had been granted unlawfully by the European Assembly to certain political parties; and how much of the total was distributed to British political parties.

Mr. Brooke [*pursuant to his reply*, 22 May 1986, c. *308*]: The sum which the European Court determined had been granted unlawfully by the European Parliament to political groups was 43 million ecu (about £27,547,000 at current exchange rates). Details of the distribution within this total to British political parties are not available.

WALES

Waiting Lists

Mr. Dobson asked the Secretary of State for Wales what are the latest figures for waiting lists for in-patient gynaecological treatment in each health district in Wales.

Mr. Wyn Roberts: The latest available information, which relates to 31 December 1985, is as follows:

Number waiting for in-patient gynaecological treatment

	Number
Clwyd	618
East Dyfed	126
Pembrokeshire	188
Gwent	1,024
Gwynedd	432
Mid Glamorgan	1,006
Powys	
South Glamorgan	720
West Glamorgan	702

Education Services

Mr. D. E. Thomas asked the Secretary of State for Wales, pursuant to his answer of 13 February to the hon. Member for Ynys Môn, (Mr. Best) *Official Report*, column 599, when he expects to receive the advice of the Wales Advisory Board on local authority higher education.

Mr. Wyn Roberts: The Wales Advisory Body will be considering the future pattern of initial teacher training provision in the public sector at its meeting on 27 June.

Mr. D. E. Thomas asked the Secretary of State for Wales how many reports on the effects on the education services in Wales of recent local authority expenditure policies have been made by Her Majesty's Inspectorate to his Department; and if he will give the date of publication of each report and the educational year covered by the report.

Mr. Wyn Roberts: There have been five such reports and all have been published as follows:

Period covered by report	*Date of publication*
Calendar year	
1980	March 1981
1981	April 1982
1982	August 1983
Academic year	
1983-84	December 1984
1984-85	June 1986

Housing

Mr. Ron Davies asked the Secretary of State for Wales if he will list the housing capital outturn figures for 1984-85 for each Welsh housing authority.

Mr. Wyn Roberts: The information requested is given in the followig table:

Housing Gross Capital Expenditure 1984/85

Welsh Districts	*£ thousands*
Alyn and Deeside	3,699
Colwyn	1,688
Delyn	1,361
Glyndwr	2,593
Rhuddlan	1,096
Wrexham Maelor	4,211
Carmarthen	4,399
Ceredigion	3,401
Dinefwr	1,645
Llanelli	3,452
Preseli	4,501
South Pembrokeshire	3,868
Blaenau Gwent	8,904
Islwyn	7,578
Monmouth	3,917
Newport	9,480
Torfaen	6,387
Aberconwy	2,161
Arfon	3,120
Dwyfor	1,517
Meirionnydd	3,524
Ynys Môn	3,014
Cynon Valley	2,822
Merthyr Tydfil	3,131
Ogwr	7,787
Rhondda	12,487
Rhymney Valley	6,991
Taff-Ely	5,215
Brecknock	1,466
Montgomery	1,909
Radnor	950
Cardiff	17,836
Vale of Glamorgan	4,283
Afan Port Talbot	2,339
Lliw Valley	2,910
Neath	2,822
Swansea	12,701
Wales Total	171,165

Mr. Ron Davies asked the Secretary of State for Wales what percentage of overall public expenditure in Wales was represented by housing capital expenditure during the last 12 months for which figures are available.

Mr. Wyn Roberts: In 1984-85 (the latest year for which firm figures are available) net housing capital expenditure in Wales (£119 million) represented a little over 4·5 per cent. of overall public expenditure within our responsibility. Because public expenditure is measured net of receipts and other income, no account has been taken in this calculation of that element of housing capital expenditure which was financed by receipts. In 1984-85 this additional expenditure exceeded £98 million.

Mr. Ron Davies asked the Secretary of State for Wales how many house completions were made in Wales in 1985; and how this compares with the figures for 1979-80 and 1982-83.

Mr. Wyn Roberts: In 1985, 8,213 completions were made. This compares with 11,360 and 7,930 completions for 1979-80 and 1982-83, respectively.

Taff Barrage

Mr. Tony Banks asked the Secretary of State for Wales when he expects to make an announcement about the construction of the Taff river barrage currently being considered by his Department.

Mr. Wyn Roberts: We have received the results of the preliminary studies into the feasibility of building a barrage across the Cardiff harbour mouth and of the investment potential in the south Cardiff area. We are now considering them and hope to be able to make an announcement shortly.

AGRICULTURE, FISHERIES AND FOOD

Animal Products

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food (1) what steps his Ministry takes to ensure that animal products imported into the United Kingdom have not been obtained from animals subjected in their country of origin to treatment classed as cruel in the United Kingdom; and if he will make a statement;

(2) if he will take steps to ban the importation into the United Kingdom of wool from Australia from sheep which have been subjected to mulesing; and if he will make a statement.

Mrs. Fenner: It is not my Ministry's policy to restrict imports on the grounds suggested by the hon. Member, nor has it powers to do so.

As regards the particular example to which the hon. Member refers, I understand that an Australian Senate Select Committee is currently conducting an inquiry into mulesing.

Land Settlement Association Properties

Sir Trevor Skeet asked the Minister of Agriculture, Fisheries and Food what is the current position of former Land Settlement Association properties in Bedfordshire.

Mrs. Fenner: Over 80 per cent. of the smallholdings and houses on the two former Land Settlement Association estates in Bedfordshire at Chawston and Potton have been sold, the majority to sitting tenants. The freeholds of the remaining tenanted smallholdings and houses are being offered to third parties subject to the existing tenancies, except in those cases where the tenants have entered into separate agreements with my Ministry that retain their first option to buy subject to certain conditions. Vacant land not already sold will mostly be sold by the autumn. The former centralised service buildings at Chawston have all been sold.

Radiation

Mr. Campbell-Savours asked the Minister of Agriculture, Fisheries and Food whether he will make a statement on the reasons for the distinction between the 1,000 becquerels per kilo emergency reference level for daesium 137, caesium 134 and iodine 131 in sheepmeat in the United Kingdom as against the level of 600 becquerels per kilo in other countries of the European Community.

Mrs. Fenner: Emergency reference levels for sheepmeat in the United Kingdom were agreed by the Government on the advice of the National Radiological Protection Board and were derived from recommendations published by the International Commission on Radiological Protection. The maximum level of 600 Bq kilo of radiocaesium is that agreed by the European Community for imports from third countries. This is more restrictive because it takes into account the uncertain nature of information from some third countries affected by the accident at Chernobyl.

Entry and Search Powers

Mr. Michael Brown asked the Minister of Agriculture, Fisheries and Food how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions; and, in each case, if he will indicate the statutory authority under which power is exercised.

Mr. Jopling: A little more time is needed to answer this and I shall reply to my hon. Friend as soon as possible.

Aspartame

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food what was the source and nature of the data relied upon to approve the use of aspartame in the United Kingdom; what action he proposes to take to protect consumers using this product; and if he will make a statement.

Mrs. Fenner: Aspartame is permitted for use in food by the Sweeteners in Food Regulations 1983. It was fully evaluated for safety and need by our expert committees which recommended its use without restriction in all food (other than those manufactured specially for babies and young children where the criterion of need was not thought to be satisfied). A bibliography of the toxicological data considered by the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment together with a summary of the committee's views about aspartame are contained in the Food Additives and Contaminants Committee's report on the review of sweeteners in food published in 1982.

Labels of prepackaged food are required to identify clearly the additives used in the food, and where the artificial sweetener aspartame is used it has to be indicated by name.

Radioactive Discharges

Mr. Hancock asked the Minister of Agriculture, Fisheries and Food what monitoring takes place of radioactive charges in the Channel.

Mr. Gummer [*pursuant to his reply*, 9 June 1986, c. *81*]: Monitoring of radioactive discharges into the Channel from United Kingdom nuclear sites is carried out by the site operators in accordance with the discharge authorisations granted under the Radioactive Substances Act 1960 by the Minister of Agriculture, Fisheries and Food and the Secretary of State for the Environment. Duplicate samples are supplied to Her Majesty's Radiochemical Inspectorate and are sent for independent analysis, the results being used by the inspectorate to check the operators' liquid effluent discharge records. Site operators are also required, as a condition of their discharge authorisation, to carry out regular environmental monitoring.

An independent programme of monitoring of the effects of radioactive discharges on the marine environment around United Kingdom nuclear sites is carried out by my Ministry to verify the satisfactory control of liquid radioactive waste discharges and to ensure that the resulting public radiation exposure is within nationally accepted limits.

This programme involves the sampling and analysis of fish and other environmental materials at various points along the south coast to assess the effects of discharges from establishments at Devonport, Winfrith and Dungeness. Samples taken in the Channel Islands also enable us to assess the effects of discharges from Cap de la Hague. The results of this monitoring are published and copies of the latest report are available in the Libraries of both Houses.

FOREIGN AND COMMONWEALTH AFFAIRS

IRA (Extradition)

Mr. Stephen Ross asked the Secretary of State for Foreign and Commonwealth Affairs what talks he has had with his United States counterparts concerning the extradition of suspected Irish Republican Army terrorists from the United States of America.

Sir Geoffrey Howe: We are working closely with the United States Administration to persuade the United States Senate to ratify the United Kingdom-United States supplementary extradition treaty. This measure would prevent suspected terrorists from avoiding extradition from the United States by claiming before the United States courts that their alleged crimes were politically motivated.

Syria

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of diplomatic relations with Syria.

Mr. Renton: Relations with Syria have been soured by the unjustified expulsion of three members of the diplomatic staff of Her Majesty's embassy at Damascus.

Contadora Process

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions have taken place within the European Council about the implications for the Contadora process of the funding by the United States of America of the Contras in Nicaragua.

Mr. Eggar: Within the framework of European political co-operation there is regular discussion of questions relating to Central America. The last meeting of Foreign Ministers took place on 12 and 13 May.

EC Commission (Staff)

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs what is the total number of persons employed by the European Economic Community Commission; what is the total cost of the Commission; and what were the comparable figures in 1976.

Mrs. Chalker: The figures requested, which cover the period during which Greece, Spain and Portugal joined the European Community are:

	1976	*1986*
Total number of persons employed by the Commission	7,983	10,881
Total cost of the Commission	814 mecu	1,049 mecu
Total Commission staff costs	228 mecu	699 mecu

These figures reflect the appropriations in the 1986 European Communities Budget and the 1976 Supplementary Budget No. 2 respectively.

International Year of Peace

Mr. Ashdown asked the Secretary of State for the Foreign and Commonwealth Affairs what initiatives his Department intends to take as part of the 1986 UN International Year of Peace; and if he has given support to organisations sponsoring special events to commemorate the Year of Peace.

Mr. Eggar: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Billericay (Mr. Proctor) on 20 November 1985, at column *215*. We believe that public funds are best spent directly on policies designed to further peace, and have not given support to organisations sponsoring special events to commemorate the year.

Hong Kong

Sir Paul Bryan asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with the hospital service available in Hong Kong; and if he will make a statement.

Mr. Renton: Hospital services in Hong Kong are satisfactorily provided for the territory's 5·4 million people and are administered by the Hong Kong Medical and Health Department. There are four hospital regions, each served by a regional hospital, one or more district hospitals and a number of general and specialist clinics. These provide a total of 24,638 hospital beds – a ratio of 4·5 hospital beds per 1,000 of the population. The construction of four more Government hospitals is planned whilst existing facilities continue to be extended and improved. Hospital charges are minimal and are waived for those in hardship irrespective of age, sex, race and religion.

Falkland Islands

Sir Bernard Braine asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish the resolution passed by the Falkland Islands Legislative Council on 28 May concerning the wishes of the islanders regarding their future; and what is the policy of Her Majesty's Government towards the resolution.

Mr. Eggar: The motion has already been publicised by the Falkland Islands Government Office. We have made clear on numerous occasions our commitment to defend the right of the Falkland Islanders to live under British sovereignty. Their wish to do so has never been in doubt.

EC (Internal Market)

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to

the draft regulations of the Commission of the European Communities which in its judgment would need to be enacted to complete the harmonisation of the internal market; and if he will place a copy in the Library.

Mrs. Chalker: A list of some 300 measures which the Commission considers necessary appears in the White Paper "Completing the Internal Market" which it submitted to the European Council in June 1985, and which is available in the Library of the House.

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs what consultations he has had with those trade and professional organisations in the United Kingdom whose interests are likely to be affected by measures necessary to complete the common internal market of the European Economic Community.

Mrs. Chalker: Ministers are in regular touch with a wide range of trade and professional organisations about the internal market. These organisations are in any case consulted by Government Departments on any specific Commission proposals which are likely to be of concern to them.

EC Commission (Legislative Proposals)

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the number of occasions in 1980, and in each succeeding year when Her Majesty's Ministers declined to agree with a legislative proposal of the Commission of the European Economic Community, presented under article 100 of the treaty of Rome.

Mrs. Chalker: A substantial number of proposals are put forward by the Commission under article 100 each year. These proposals are rarely agreed to by the Council in their original form but are changed to reflect the views of member states and to be capable of adoption by the Council. The United Kingdom has played a full part in that process but it is not possible to enumerate the occasions on which proposals have been amended to reflect our views.

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs if he will give or estimate the number of occasions in each of the years 1983, 1984, 1985 and 1986 when the Commission of the European Economic Community has laid new regulations or amendments to those proposed, consequent to the opinions of the European Assembly.

Mrs. Chalker: The Commission reports each month to the European Parliament on the action it has taken on the Parliament's opinions. These reports are reproduced in the "Report of Proceedings" published as an annex to the *Official Journal*, copies of which are available in the Library of the House. The reports show that the Commission frequently amends its proposals in response to the views expressed by the European Parliament. In the time available it has not been possible to calculate the number of such amendments over the period in question. I will write to the hon. Member as soon as the information is available.

Petty Officer John Anthony Black

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether any British public sector employees, including members of Her Majesty's forces, or any person acting on their behalf, entered the apartment in an official capacity in Sabinillas, Spain, of the late Petty Officer John Anthony Black, Royal Navy, between 24 and 27 December 1983; and whether this issue was raised with the Spanish authorities in the recent Note Verbale.

Mr. Eggar: No Foreign and Commonwealth Office employee, or persons acting on its behalf, entered the apartment between 24 and 27 December 1983. There was therefore no such issue to raise with the Spanish authorities.

TRANSPORT

Iwade Bypass

Mr. Moate asked the Secretary of State for Transport when he expects to announce his final proposals for a dual carriageway bypass of Iwade on the A249; and what is the target date for completion of the project.

Mr. Peter Bottomley: We expect to announce the preferred route for an extended bypass of Iwade on the A249 later this year. The final proposals and timing of construction will depend on the outcome of the necessary statutory procedures. It may be possible to start construction at about the end of 1988, for completion two years later.

Roads (Construction)

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will list the 20 contractors who have received the largest share of motorway and trunk road construction contracts in the past three years, giving for each contractor the total value of contracts received.

Mr. Peter Bottomley: During the three years 1983, 1984 and 1985, motorway and trunk road construction contracts of over £100,000 each in value were awarded as follows:

	Total value of contracts £ million
1. Balfour Beatty Ltd.	95·0
2. Cementation Construction Ltd.	*93·8
3. Tarmac Construction Ltd.	87·0
4. Costain Civil Engineering Ltd.	*82·4
5. John Laing Construction Ltd.	62·4
6. Alfred McAlpine Construction Ltd. (formerly Sir Alfred McAlpine & Son Ltd.)	†59·1
7. Fairclough Civil Engineering Ltd.	†49·7
8. Edmund Nuttall Ltd.	42·5
9. Wimpey Construction UK Ltd.	38·0
10. A. F. Budge (Contractors) Ltd.	31·1
11. Dowsett Engineering Construction Ltd.	28·5
12. A. Monk & Co. plc.	24·1
13. Taylor Woodrow Construction Ltd.	‡21·4
14. A. E. Farr Ltd. (formerly Bovis Civil Engineering Ltd.)	‡20·4
15. Peter Birse Ltd.	‡20·0
16. John Mowlem & Co. plc.	16·5
17. R. M. Douglas Construction Ltd.	15·3
18. May Gurney & Co. Ltd.	15·2
19. M. J. Gleeson Group plc.	11·5
20. Roadworks (1952) Ltd.	7·4

*Includes £50·4 million awarded to consortium Cementation Construction Ltd./Costain Civil Engineering Ltd. (two contracts).

†Includes £26·9 million awarded to consortium Sir Alfred McAlpine & Son Ltd, Fairclough Civil Engineering Ltd

‡Includes £0·1 million awarded to consortium Taylor Woodrow Construction Ltd, Thyssen (Great Britain) Ltd

Includes £14·7 million awarded to consortium Bovis Civil Engineering Ltd, Peter Birse Ltd

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will list the motorway and trunk road schemes for which he intended to award a contract in the year ended 31 March but which are still outstanding.

Mr. Peter Bottomley: Five contracts which we hoped to let in 1985-86 remain outstanding:

A27 Havant to Chichester
Tenders received; to be let next month

A303 Furze Hedge Improvement
Tenders received; to be let next month

A629 Kildwick to Beechcliffe
Tenders invited; to be let in August

M5 Warndon to Rashwood
Tenders to be invited next month

A30 Okehampton Bypass
Tenders to be invited next month

Motorways (Maintenance Costs)

Mr. Hancock asked the Secretary of State for Transport how much has been spent to date on maintenance on the M3 motorway on its most recently completed stretch.

Mr. Peter Bottomley: The Popham to Bar End section of the M3 opened to traffic last summer is still within the contractual maintenance period. The total cost of maintenance to date is approximately £255,000. This includes costs, which the Department will meet, of £47,000 for salting and snow clearing, £8,000 for repairs to safety fences and signs, and, exceptionally, about £100,000 to repair fire damage at the Alrcoford road (Spitfire) bridge, Winchester. The remainder of the cost will in the main be borne by the contractors.

Mr. Hancock asked the Secretary of State for Transport (1) how much has been spent to date on maintenance on the M27 between the junction with the M275 and the Hedge End interchange;

(2) how much has been spent to date on maintenance on the M275.

Mr. Peter Bottomley: Since this section of the M27 motorway opened to traffic in 1975, the total cost of maintenance incurred by the Department has been approximately £2·146 million.

Hampshire county council is the highway authority responsible for maintenance of the M275.

NORTHERN IRELAND

Members' Correspondence

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many letters were written to him by right hon. and hon. Members for the constituencies of Northern Ireland during the month of May.

Mr. Tom King: It is not my practice to comment on correspondence with hon. Members.

Prison Officers (Observation Duties)

Mr. Cohen asked the Secretary of State for Northern Ireland if he will direct the Chief Constable of the Royal Ulster Constabulary to issue a police order on the lines of that recently issued by the Commissioner of Police of the Metropolis on the deployment of uniformed officers on plain cloths observation duties; and if he will make a statement.

Mr. Scott: The Chief Constable of the Royal Ulster Constabulary operates under the law. He is not subject to direction by the Secretary of State in the operational control of his force. However, I understand that uniformed officers are specially briefed by a senior officer before embarking on plain clothes observation duties.

Employment Act 1982

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland what is the estimated cost of processing to conclusion the separate Order in Council introducing the Trade Union Act 1982 into Northern Ireland law within *(a)* the Northern Ireland Civil Service and *(b)* Westminster.

Dr. Boyson: I assume that the hon. Gentleman is referring to the Employment Act 1982, which deals with trade union matters. A draft Order-in-Council to replicate the 1982 Act was issued for consultation on 12 May 1986, and comments are waited. Expenditure on this order has not been costed separately and cannot be estimated reliably.

RUC (Stalker Report)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what effect the suspension of the deputy chief constable of Greater Manchester, Mr. John Stalker, has on the preparation of his report on operations by the Royal Ulster Constabulary in County Armagh; and if he will make a statement.

Mr. Tom King: Mr. John Stalker was appointed on 24 May 1984 by the Chief Constable of the Royal Ulster Constabulary to head a team of police officers from the Greater Manchester force to carry out an inquiry in Northern Ireland. I understand that he submitted an interim report to the Chief Constable on 18 September 1985, amd that it was sent to the Director of Public Prosecutions (NI) on 13 February 1986. On 4 March 1986, the Director directed that further investigations be undertaken.

I understand that this task will be completed by the same inquiry team, consisting of the same officers. The Chief Constable has, however, announced that, in view of the leave of absence of Mr. Stalker, and after consultation with and on the recommendation of Her Majesty's Inspector of Constabulary, he has asked Mr. Colin Sampson, the chief constable of West Yorkshire, to take over the leadership of the team.

The Chief Constable of the RUC stressed that he is anxious that the intended investigation should be completed quickly and professionally so that he may receive the DPP's directions.

ENERGY

Nuclear Industry

Mr. Ashdown asked the Secretary of State for Energy (1) if he will describe the responsibilities, in relation to the routine management of licensed Magnox nuclear power stations, of *(a)* the licensee, *(b)* the Nuclear Installations Inpectorate and *(c)* the staff of his Department in determining what extent of expenditure on improving safety features is reasonably practicable; and if he will make a statement;

(2) if he will describe the responsibilities, in relation to the 20-year safety reviews of Magnox power stations, of *(a)* the licensee, *(b)* the Nuclear Installations Inspectorate and *(c)* the staff of his Department in determining what extent of expenditure on improving safety features is reasonably practicable; and if he will make a statement.

Mr. Goodlad: The answers to both questions are the same. The licensee is legally responsible for ensuring that his operations are safe. To the extent that maintenance of safety requires expenditure, it is for the licensee to assess the costs against the overall economics of the plant, and to decide between making necessary improvements or closing the plant down. The Health and Safety Executive, of which Her Majesty's Nuclear Installations Inspectorate is a part, has a duty to see that appropriate standards are developed, achieved and maintained by the licensee. It sets the licence terms and checks compliance by assessment and inspection, and has the power to require a plant to be closed if any necessary improvements are not made. Departmental officials advise my right hon. Friend on safety policy and on overall expenditure proposals, but do not participate in determining the extent of expenditure required for improvement of safety.

Mr. Deakins asked the Secretary of State for Energy how many people are working directly and indirectly in support of the United Kingdom nuclear energy programme.

Mr. Goodlad: About 44,000 people are employed directly by BNFL, UKAEA, NNC and in the nuclear specific work of the electricity generating boards. There are, in addition, many thousands of people in the manufacturing and service industries employed on the industry's major capital projects, in maintaining and servicing the industry's existing sites and in providing local infrastructure. For example, BNFL has estimated that in addition to their directly employed staff, a further 50,000 jobs are supported by their capital investment programme. Well over 100,000 jobs depend directly or indirectly on the industry.

District Heating (Rating)

Mr. Rost asked the Secretary of State for Energy when he expects to make a statement on the criteria for rating assessment applicable to combined heat and power district heating consortia.

Mr. David Hunt: Responsibility for rating policy in England and Wales rests with my right hon. Friend the Secretary of State for the Environment. I am aware that preliminary estimates of rates charges for combined heat and power-district heating schemes, derived from the probable capital costs, exceed those that result from the application of the formulae used in rating established energy supply utilities and the implications of this are now being considered.

Nuclear Reactors

Mr. D. E. Thomas asked the Secretary of State for Energy on how many occasions, and in which years, and in what amounts, plutonium from British Nuclear Fuels Limited operated reactors at Calder Hall and Chapel Cross has been submitted to *(a)* Euratom safeguards and *(b)* International Atomic Energy Agency safeguards.

Mr. Goodlad: I shall reply to the hon. Member as soon as possible.

Office of Gas Supply

Sir Trevor Skeet asked the Secretary of State for Energy if he will make a statement about the establishment of the Office of Gas Supply.

Mr. Peter Walker: The Gas Bill, currently before Parliament, provides for the setting up of an Office of Gas Supply to regulate the affairs of the gas supply industry. It is intended that, subject to the enactment of the Bill, the body will be established later this year as an independent non-ministerial Department headed by the Director-General of Gas Supply responsible to Parliament for the expenditure of the office. Parliament will be asked to vote an allocation of funds for the office in the Summer Supplementary Estimate. It is intended that the costs estimated to be £1·16 million in 1986-87 (including a running cost limit of £1·056 million) will be recovered from authorisation fees paid by gas suppliers and the estimate will, therefore, be a token one.

EMPLOYMENT

Small Businesses

Mr. Ashdown asked the Paymaster General if he will list those measures introduced by his Department within the past year and intended to be of benefit to small businesses.

Mr. Trippier: Overall responsibility for the small firms sector was transferred to the Department of Employment on 3 September 1985. A sharper focus has been given to that work with the transfer and the promotion of enterprise and job creation are now major priorities in the Department's objectives. The Department also monitors and seeks to influence relevant measures being introduced by other Departments, so that they will benefit the sector, whilst in England the regional enterprise units represent and promote the Department's interest in enterprise, small firms, deregulation and tourism at a regional and local level. Measures introduced by the Department of Employment in the past year designed specifically to help small firms are as follows:

Deregulation

The Government's commitment to reduce unnecessary burdens on business has particularly benefited small firms. Two White Papers have been published on deregulation — "Lifting the Burden" (Cmnd. 9571) in July 1985 and "Building Businesses . . . Not Barriers" (Cmnd. 9794) on 22 May 1986. The recent White Paper sets out progress since

"Lifting the Burden" and announces a package of 80 further proposals. Of these further proposals, 14 concern employment and health and safety legislation.

Loan Guarantee Scheme

This scheme was extended for a further three years in the 1986 Budget. The cost to borrowers through the premium payable has been reduced from 5 to 2·5 per cent.

Local Enterprise Agency Grant Scheme

A five year scheme of financial assistance designed to establish a network of viable self-supporting enterprise agencies was introduced on 1 April 1986. £2·5 million in grants is being made available in the first year.

Enterprise Allowance Scheme

The Manpower Services Commission has expanded this from 65,000 places in 1985-86 to 86,000 places in 1986-87. The 13-week qualifying period of unemployment has been reduced to eight weeks whilst greater emphasis is now being given to counselling and training for applicants.

Advice and Information

A major priority has been to make information and advice more accessible to the self-employed and small business men through the small firms service, local enterprise agencies, the Manpower Services Commission's agencies, the Manpower Services Commission's jobcentres and the publication "Action for Jobs".

Training

The Manpower Services Commission has been refocussing its adult training programme at the Department's request to take greater account of small firms' training needs. Its training for enterprise budget has been increased from £14·3 million in 1985-86 to £18·8 million in 1986-87 and the number of people expected to benefit is over 46,000 (as against 25,000 in 1985-86).

Late Payment of Bills

A practical guidance booklet entitled "Payment on Time" was issued on 19 May 1986 in conjunction with a number of industry organisations with the aim of fostering closer co-operation between buyers and suppliers and reducing the time taken by customers to pay their bills. This has been widely circulated to both public and private sector organisations.

Regional Enterprise Units

Eight regional enterprise units have been established in England to promote the Department's interests in enterprise, small firms, deregulation and tourism at a regional and local level.

Inner Cities Initiative

The Government launched this initiative on 6 February 1986, under the overall responsibility of the Paymaster General, to improve the impact of Government spending in inner city areas on the employment problem of residents and to work up new approaches. Task forces have been set up in eight pilot inner city areas and among other ideas, they will certainly be considering additional help to small businesses in their areas, and how new business can be attracted to them.

Health and Safety

The Health and Safety Commission now has an employer representative nominee with special responsibility for the interests of small firms. In addition, training for inspectors on the problems of small firms has been introduced by the Health and Safety Executive.

Employing People

The Department is proposing to exempt firms with fewer than ten employees from the requirement to allow a woman to return to work within 29 weeks after the birth of a child. The Department has also produced a simplified guide to employment legislation for small firms' advisers, along with a model employment form and notice board kit aimed to help small firms in particular. In addition, The Advisory, Conciliation and Arbitration Service has published a booklet for small firms with information on various aspects of employing people.

Equal Opportunities

Mr. Janner asked the Paymaster General if he will make a statement on the operation of the Commission for Racial Equality's code of practice for the elimination of racial discrimination and promotion of equality of opportunity in employment.

Mr. Lang: Information about the operation of this code is given in the Commission for Racial Equality's annual report for 1985, which was laid before the House on 12 June.

A growing number of employers are finding that the code's recommendations provide a useful and acceptable framework against which to review personnel practices and procedures.

The Department of Employment's race relations employment advisory service continues to give priority to advising employers on the code's provisions.

Community Programme

Mr. Frank Field asked the Paymaster General (1) if he will indicate the 10 local authority areas where the Manpower Services Commission has the highest spending on the community programme, VPP and YTS programmes and the sums spent in each area during 1985;

(2) if he will indicate the total sums spent in each of the 10 local authority areas where the Manpower Services Commission has the highest spending on the community programme, VPP and YTS on each of the three programmes in 1984 and 1985.

Mr. Lang: The total sum spent in each of the 10 local authority areas where the Manpower Services Commission has the highest spending is not readily available, and could be obtained only at a disproportionate cost.

Mr. Frank Field asked the Paymaster General if he will specify the 10 organisations and 10 local authorities, respectively, which currently employ the largest number of community programme participants in the United Kingdom.

Mr. Lang: The 10 organisations whose current agreements have the largest number of participants are as follows:

National Association for the Care and Resettlement of Offenders
Community Task Force
Community Rural Aid
Keep Britain Tidy Group
National Elfrida Rathbone Society
Sunderland Council for Voluntary Service
Age Concern (Avon)
Manchester Diocesan Church of England Council for Social Aid
Volunteer Centre Glasgow
Community Roots Trust

The 10 local authorities whose current agreements have the largest number of participants are as follows:

Leeds City Council
Glasgow District Council
Birmingham City Council (Planning Department)
Kent County Council
Rochdale Metropolitan Borough Council
City of Bradford Metropolitan Council
Hartlepool Borough Council

Newcastle City Council
Doncaster Metropolitan Borough Council
Staffordshire County Council

Labour Statistics

Mr. Austin Mitchell asked the Paymaster General what is the unemployment rate for West Indian men under 25 years of age; what is the unemployment rate for Asian men under 25 years of age; and what is the unemployment rate for white men under 25 years of age.

Mr. Lang: According to the labour force survey, in the spring of 1985 in Great Britain the rates of unemployment among men aged under 25 years were 35 per cent. for West Indians, 31 per cent. for Asians and 18 per cent. for whites. The figures relate to those who said they were without a job and actively looking for work as a proportion of those economically active.

Mr. Austin Mitchell asked the Paymaster General what percentage of white people on YTS get places with employers after the programme; and what percentage of West Indians on YTS get places with employers after the programme.

Mr. Trippier: The Manpower Services Commission conducts a monthly follow-up survey of all young people leaving YTS. The latest results, covering young people who left YTS between 1 April and 31 December 1985, show that around 60 per cent. of white leavers and around 35 per cent. of black leavers of African or Caribbean descent were in employment some three months after completing their training. Information relating specifically to West Indians is not available.

Wages (Arrears)

Ms. Clare Short asked the Paymaster General if he will publish for each year from 1979 to 1985 details of recovery of arrears by the Wages Inspectorate for workers covered by the clothing manufacturing wages council in the same form as in his reply on 23 May, *Official Report*, column *358-60*.

Mr. Trippier: The information requested is given in the following table.

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
(a) Arrears assessed but not recovered £	1,863	8,558	12,258	18,886	33,704	27,236	37,357
(b) (a) above as a percentage of arrears paid	6 per cent.	14 per cent.	22 per cent.	31 per cent.	73 per cent.	31 per cent.	59 per cent.
(c) arrears which it was not considered practicable to pursue £	*1,863	*8,558	*12,258	11,889	25,692	21,150	35,195
(d) (c) above as a percentage of arrears paid	6 per cent.	14 per cent.	22 per cent.	20 per cent.	56 per cent.	24 per cent.	55 per cent.
(e) workers for whom arrears were assessed but not recovered	16	62	93	164	199	133	199
(f) (e) above as a percentage of workers paid arrears	2 per cent.	5 per cent.	10 per cent.	26 per cent.	40 per cent.	20 per cent.	30 per cent.
(g) workers from for whom it was considered not practicable to pursue arrears	16	62	93	118	161	112	186
(h) (g) above as a percentage of workers paid arrears	*2 per cent.	*5 per cent.	*10 per cent.	15 per cent.	32 per cent.	17 per cent.	28 per cent.

* These figures include data relating to arrears waived. Information concerning arrears which it was considered not practicable to pursue is not separately identifiable for 1979, 1980 and 1981.

Ms. Clare Short asked the Paymaster General if he will explain why non-recovery of arrears assessed as due by the Wages Inspectorate has increased since 1979; and why it is considered impracticable to pursue arrears.

Mr. Trippier: The increase in the proportion of arrears identified but not recovered by the Wages Inspectorate is attributable to rises in both the number of workers choosing to forgo payment and the number of cases where it is inappropriate or impracticable to pursue recovery action. Decisions by the Wages Inspectorate not to pursue arrears are taken only after careful consideration of all the circumstances, including the ultimate likelihood of success bearing in mind such factors as the financial state of the business concerned and the adequacy of evidence to support legal proceedings.

Home Workers

Ms. Clare Short asked the Paymaster General if he will publish for each year from 1979 to 1985 the number of establishments where the records of home workers were examined by wages inspectors, the number of establishments making use of home workers who were found to have been underpaid and the number of home workers who were interviewed by the inspectorate separately for workers covered by the clothing manufacturing, the hat, cap and millinery and the retail bespoke tailoring wages councils.

Mr. Trippier: The information requested is given in the following tables.

Clothing Manufacturing Wages Council

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Establishments where the pay records of homeworkers were examined	1,141	199	121	87	136	145	148
Establishments making use of the services of homeworkers who were found to have been underpaid	16	16	12	11	9	15	7

	1979	1980	1981	1982	1983	1984	1985
Homeworkers interviewed	703	555	308	222	266	244	160
Hat, Cap and Millinery Wages Council							
Establishments where the pay records of homeworkers were examined	14	23	5	2	13	6	5
Establishments making use of the services of homeworkers who were found to have been underpaid	—	2	2	—	—	—	—
Homeworkers interviewed	11	79	19	5	36	15	7
Retail Bespoke Tailoring Wages Council							
Establishments where the pay records of homeworkers were examined	68	7	4	1	12	16	6
Establishments making use of the services of homeworkers who were found to have been underpaid	1	1	—	—	2	—	1
Homeworkers interviewed	39	11	4	7	13	8	4

MSC Assistance (Calderdale)

Mr. Galley asked the Paymaster General what has been the total level of assistance in terms of *(a)* finance and *(b)* people assisted as a result of schemes operated by the Manpower Services Commission in the Calderdale metropolitan borough area in each year since 1974.

Mr. Lang: I regret that I am unable to answer the question in the precise form requested. I will write to my hon. Friend shortly giving such information as is available.

Youth Training Scheme

Mr. Nicholas Baker asked the Paymaster General if he will bring forward proposals to ensure that allowances are made in the case of young people afflicted by special learning difficulties or dyslexia in applications for or tests and training during YTS courses.

Mr. Trippier: The special needs of young people are well known to the careers service from its contacts while they are still at school, and will be taken fully into account when advising young people on YTS, and in particular when giving endorsements for entry into premium places and places in receipt of permanent additional funding for the disabled.

Design of tests of competence will increasingly be a matter for industry, particularly through lead bodies whose responsibility will be to set standards of competence in the workplace. These bodies will be expected to give particular attention to the needs of young people with learning difficulties, including dyslexia.

Equal Opportunities

Mr. Gordon Brown asked the Paymaster General if he will publish a list of travel-to-work areas, indicating for each one which parliamentary constituencies form part of it and a list of parliamentary constituencis showing of which travel-to-work area or areas it forms a part, giving in each case the latest available unemployment rate figures, where available.

Mr. Lang [*pursuant to his reply*, 11 June 1986, c. *197*]: Following is the available information. The table shows each parliamentary constituency of Great Britain, together with those travel-to-work areas whose boundaries cover all, or the majority of, that constituency area. In some cases a travel-to-work area covers a large number of constituencies, for example the London travel-to-work area. Unemployment rates for travel-to-work areas as at 10 April 1986 were published in table 2.4 of the June 1986 edition of "Employment Gazette", which is in the Library.

A list showing which parliamentary constituencies form part of each travel-to-work area is not available, except at disproportionate cost.

Greater London

Constituency	*Travel to work area(s)*
Barking	London
Dagenham	London
Chipping Barnet	London
Finchley	London
Hendon North	London
Hendon South	London
Bexleyheath	London
Erith and Crayford	London
Old Bexley and Sidcup	London
Brent East	London
Brent North	London
Brent South	London
Beckenham	London
Chislehurst	London
Orpington	London
Ravensbourne	London
Hampstead and Highgate	London
Holborn and St. Pancras	London
Croydon Central	London
Croydon North East	London
Croydon North West	London
Croydon South	London
Ealing Acton	Heathrow
Ealing North	Heathrow
Ealing Southall	Heathrow
Edmonton	London
Enfield North	London
Enfield Southgate	London
Lewisham Deptford	London
Lewisham East	London
Lewisham West	London
Mitcham and Morden	London
Wimbledon	London
Newham North East	London
Newham North West	London
Newham South	London
Ilford North	London
Ilford South	London
Wanstead and Woodford	London
Richmond and Barnes	Heathrow
Twickenham	London Heathrow
Southwark and Bermondsey	London
Dulwich	London
Peckham	London
Carshalton and Wallington	London
Sutton and Cheam	London
Bethnal Green and Stepney	London
Bow and Poplar	London
Chingford	London
Leyton	London
Walthamstow	London
Battersea	London
Putney	London
Tooting	London

Constituency	Travel to work area(s)
City of London and Westminster South	London
Westminster North	London
Greenwich	London
Eltham	London
Woolwich	London
Hackney North and Stoke Newington	London
Hackney South and Shoreditch	London
Hammersmith	London
Fulham	London
Tottenham	London
Hornsey and Wood Green	London
Harrow East	London
Harrow West	London
Hornchurch	London
Romford	London
Upminster	London
Hayes and Harlington	Heathrow
Ruislip Northwood	Heathrow
Uxbridge	Heathrow
Brentford and Isleworth	Heathrow
Feltham and Heston	Heathrow
Islington North	London
Islington South and Finsbury	London
Chelsea	London
Kensington	London
Kingston	Heathrow
Surbiton	Heathrow
Norwood	London
Streatham	London
Vauxhall	London

South East

Constituency	Travel to work area(s)
Mid Bedfordshire	Hitchin and Letchworth
North Bedfordshire	Bedford
South West Bedford	Watford and Luton, Milton Keynes
Luton North	Milton Keynes
Luton South	Watford and Luton
Reading West	Reading
Reading East	Reading
Wokingham	Reading
Newbury	Newbury
East Berkshire	Reading
Slough	Slough
Windsor and Maidenhead	Slough
Milton Keynes	Milton Keynes
Buckingham	Milton Keynes
Beconsfield	Aylesbury and Wycombe
Aylesbury	Aylesbury and Wycombe
Wycombe	Aylesbury and Wycombe
Chesham and Amersham	Aylesbury and Wycombe
Saffron Walden	Chelmsford and Braintree
Braintree	Chelmsford and Braintree
Colchester South and Maldon	Colchester
Basildon	Southend
Billericay	Southend
Chelmsford	Chelmsford and Braintree
Epping Forest	Hertford and Harlow
Southend East	Southend
Southend West	Southend
Thurrock	Southend
Brentwood and Ongar	Chelmsford and Braintree
Harwich	Clacton, Harwich
Rochford	Southend
Castle Point	Southend
Brighton Pavillion	Brighton
Brighton Kemptown	Brighton
Hove	Brighton
Lewes	Brighton
Eastbourne	Eastbourne
Bexhill and Battle	Hastings
Hastings and Rye	Hastings
Isle of Wight	Isle of Wight
Broxbourne	Hertford and Harlow
Hertford and Storford	Hertford and Harlow
South West Hertfordshire	Watford and Luton
West Hertfordshire	Watford and Luton
Hertsmere	Watford and Luton
St. Albans	Watford and Luton London
Stevenage	Hertford and Harlow
North Hertfordshire	Hitchin and Letchworth
Watford	Watford and Luton
Welwyn Harfield	Hertford and Harlow
North West Hampshire	Andover
Basingstoke	Basingstoke and Alton
Winchester	Winchester and Eastleigh, Basingstoke and Alton
New Forest	Southampton
Eastleigh	Winchester and Eastleigh
Ramsey and Waterside	Southampton
Southampton Itchen	Southampton
Southampton Test	Southampton
Fareham	Gosport and Fareham
Gosport	Gosport and Fareham
Portsmouth North	Portsmouth
Portsmouth South	Portsmouth
Havant	Portsmouth
East Hampshire	Guildford and Aldershot, Basingstoke and Alton
Aldershot	Guildford and Aldershot
Folkestone and Hythe	Folkestone
Dover	Dover and Deal
Thanet South	Thanet
Thanet North	Thanet
Canterbury	Canterbury
Ashford	Ashford
Tunbridge Wells	Tunbridge Wells
Mid Kent	Medway and Maidstone
Faversham	Sittingbourne and Sheerness
Dartford	London, Medway and Maidstone
Gillingham	Sittingbourne and Sheerness
Gravesend	Medway and Maidstone
Maidstone	Medway and Maidstone
Medway	Medway and Maidstone
Sevenoaks	Tunbridge Wells
Tonbridge and Malling	Tunbridge Wells
Banbury	Banbury, Bicester
Witney	Oxford
Wantage	Oxford
Oxford East	Oxford
Oxford West and Abingdon	Oxford
Henley	Reading
Chichester	Chichester
Arundel	Chichester
Horsham	Crawley
Shoreham	Brighton
Worthing	Worthing
Wealden	Tunbridge Wells
Mid Sussex	Crawley
Crawley	Crawley

East Anglia

Constituency	Travel to work area(s)
Cambridgeshire north east	Cambridge
Cambridgeshire south east	Cambridge
Peterborough	Peterborough
Huntingdon	Huntingdon and St. Neots
Cambridgeshire south west	Huntingdom and St. Neots
Cambridge	Cambridge
North west Norfolk	King's Lynn and Hunstanton
North Norfolk	Fakenham Cromer and North Walsham
Mid Norfolk	Norwich, Great Yarmouth
Great Yarmouth	Great Yarmouth
North Norwich	Norwich

Constituency	Travel to work area(s)
South Norwich	Norwich
South Norfolk	Diss, Norwich
South west Norfolk	Thetford
Suffolk coastal	Woodbridge and Leiston
Suffolk central	Ipswich
Ipswich	Ipswich
Bury St. Edmunds	Bury St. Edmunds, Newmarket
South Suffolk	Ipswich, Sudbury Haverhill
Waveney	Beccles and Halesworth Lowestoft

South West

Constituency	Travel to work area(s)
Bath	Bath
Bristol east	Bristol
Bristol north west	Bristol
Bristol south	Bristol
Bristol west	Bristol
Kingswood	Bristol
Northavon	Bristol
Wandsyke	Bath
Weston-super-mare	Weston-super-mare
Woodspring	Bristol
Falmouth and Camborne	Redruth and Cambourne, Falmouth
North Cornwall	Bude, Bodmin and Liskeard
St. Ives	Penzance and St. Ives, Helston
South east Cornwall	Bodmin and Liskeard
Truro	St. Austell, Truro
Exeter	Exeter
Honiton	Honiton and Axminster
North Devon	Barnstaple and Ilfracombe, South Molton
Plymouth-Devonport	Plymouth
Plymouth Drake	Plymouth
Plymouth Sutton	Plymouth
South Hams	Dartmouth and Kingsbridge, Totnes
Teignmouth	Newton Abbot
Tiverton	Tiverton
Torbay	Torbay
Torridge and West Devon	Bideford, Torrington, Okehampton, Bude
Bournemouth East	Bournemouth
Bournemouth West	Bournemouth
Christchurch	Bournemouth
North Dorset	Blandford, Shaftesbury
Poole	Poole
South Dorset	Wareham and Swanage
West Dorset	Bridport, Dorchester and Weymouth
Cheltenham	Cheltenham
Cirencester and Tewkesbury	Cirencester, Cheltenham
Gloucester	Gloucester
Stroud	Stroud
West Gloucestershire	Cinderford and Ross-on-Wye
Bridgwater	Bridgwater and Minehead
Somerton and Frome	Trowbridge and Frome
Taunton	Taunton, Tiverton
Wells	Wells
Yeovil	Yeovil, Chard
Devizes	Devizes, Swindon
North Wiltshire	Chippenham
Salisbury	Salisbury
Swindon	Swindon
Westbury	Trowbridge and Frome, Warminster

West Midlands

Constituency	Travel to work area(s)
Aldridge-Brownhills	Walsall
Birmingham-Edgbaston	Birmingham
Birmingham-Erdington	Birmingham
Birmingham-Hall Green	Birmingham
Birmingham-Hodge Hill	Birmingham
Birmingham-Ladywood	Birmingham
Birmingham-Northfield	Birmingham
Birmingham-Perry Barr	Birmingham
Birmingham-Selly Oak	Birmingham
Birmingham-Small Heath	Birmingham
Birmingham-Sparkbrook	Birmingham
Birmingham-Yardley	Birmingham
Coventry North East	Coventry and Hinckley
Coventry North West	Coventry and Hinckley
Coventry South East	Coventry and Hinckley
Coventry South West	Coventry and Hinckley
Dudley East	Dudley and Sandwell
Dudley West	Dudley and Sandwell
Halesowen and Stourbridge	Dudley and Sandwell
Meriden	Birmingham, Coventry and Hinckley
Solihull	Birmingham
Sutton Coldfield	Birmingham
Walsall North	Walsall
Walsall South	Walsall
Warley East	Dudley and Sandwell
Warley West	Dudley and Sandwell
West Bromwich East	Dudley and Sandwell
West Bromwich West	Dudley and Sandwell
Wolverhampton North East	Wolverhampton
Wolverhampton South East	Wolverhampton
Wolverhampton South West	Wolverhampton
Ludlow	Ludlow, Shrewsbury, Telford and Bridgnorth
North Shropshire	Oswestry, Whitchurch and Market Drayton
Shrewsbury and Atcham	Shrewsbury
The Wrekin	Telford and Bridgnorth
Burton	Burton-on-Trent, Uttoxeter and Ashbourne
Cannock and Burntwood	Walsall
Mid-Staffordshire	Stafford
Newcastle-under-Lyme	Stoke
South East Staffordshire	Birmingham
South Staffordshire	Wolverhampton
Stafford	Stafford
Staffordshire Moorlands	Leek, Stoke
Stoke-on-Trent North	Stoke
Stoke-on-Trent Central	Stoke
Stoke-on-Trent South	Stoke
Bromsgrove	Birmingham
Hereford	Cinderford and Ross-on-Wye, Hereford and Leominster
Leominster	Hereford and Leominster, Ludlow, Malvern and Ledbury
Mid-Worcestershire	Worcester
South Worcestershire	Evesham, Malvern and Ledbury
Worcester	Worcester
Wyre Forest	Kidderminster
North Warwickshire	Birmingham, Coventry and Hinckley
Nuneaton	Coventry and Hinckley
Rugby and Kenilworth	Coventry and Hinckley, Rugby and Daventry, Warwick
Stratford-on-Avon	Evesham, Warwick
Warwick and Leamington	Warwick

East Midlands

Constituency	Travel to work area(s)
Amber Valley	
Alfreton and Ashfield, Derby, Nottingham	
Bolsover	Alfreton and Ashfield, Chesterfield, Mansfield, Worksop
Chesterfield	Chesterfield
Derby North	Derby

Constituency	Travel to work area(s)
Derby South	Derby
Erewash	Nottingham
High Peak	Buxton, Sheffield
North East Derbyshire	Chesterfield
South Derbyshire	Burton-on-Trent, Derby
West Derbyshire	Derby, Matlock
Blaby	Leicester, Rugby and Daventry
Bosworth	Coventry and Hinckley, Leicester
Harborough	Kettering and Market Harborough, Leicester
Leicester East	Leicester
Leicester South	Leicester
Leicester West	Leicester
Loughborough	Loughborough and Coalville
North West Leicestershire	Loughborough and Coalville, Burton-on-Trent
Rutland and Melton	Melton Mowbray, Stamford
East Lindsey	Boston, Horncastle and Market Rasen, Louth and Mablethorpe, Skegness
Gainsborough and Horncastle	Gainsborough, Horncastle and Market Rasen, Lincoln, Grimsby
Grantham	Grantham, Lincoln, Newark, Sleaford
Holland with Boston	Boston, Spalding and Holbeach
Lincoln	Lincoln
Stamford and Spalding	Grantham, Spalding and Holbeach, Stamford
Corby	Corby, Peterborough, Wellingborough and Rushden
Daventry	Banbury, Northampton, Rugby and Daventry
Kettering	Kettering and Market Harborough, Northampton
Northampton North	Northampton
Northampton South	Northampton
Wellingborough South	Wellingborough and Rushden
Ashfield	Alfreton and Ashfield
Bassetlaw	Mansfield, Retford, Worksop
Broxstowe	Nottingham
Gelding	Nottingham
Mansfield	Mansfield
Newark	Newark, Retford
Nottingham East	Nottingham
Nottingham North	Nottingham
Nottingham South	Nottingham
Rushcliffe	Nottingham
Sherwood	Mansfield, Nottingham
Boothferry	Hull, Bridlington, Driffield, York, Scunthorpe, Doncaster, Goole and Selby
Beverley	Hull
Bridlington	Bridlington and Driffield, Hull
Brigg and Cleethorpes	Grimsby, Scunthorpe
Glanford and Scunthorpe	Scunthorpe
Great Grimsby	Grimsby
Kingston-upon-Hull East	Hull
Kingston-upon-Hull North	Hull
Kingston-upon-Hull West	Hull
Harrogate	York, Ripon, Harrogate
Richmond	Northallerton, Thirsk, Ripon Richmondshire
Ryedale	Pickering and Helmsley, York, Bridlington and Driffield, Malton, Scarborough and Filey
Scarborough	Scarborough and Filey, Whitby
Selby	York, Goole and Selby, Castleford and Pontefract
Skipton and Ripon	Settle, Skipton, Keighley, Leeds, Ripon, Harrogate
York	York
Barnsley Central	Barnsley
Barnsley East	Barnsley, Rotherham and Mexborough
Bansley West and Penistone	Barnsley
Doncaster Central	Doncaster
Doncaster North	Doncaster
Don Valley	Doncaster, Rotherham and Mexborough
Rotherham	Rotherham and Mexborough
Rother Valley	Rotherham and Mexborough, Sheffield
Sheffield Attercliffe	Sheffield
Sheffield Brightside	Sheffield
Sheffield Central	Sheffield
Sheffield Hallam	Sheffield
Sheffield Heeley	Sheffield
Sheffield Hillsborough	Sheffield
Wentworth	Rotherham and Mexborough
Batley and Spen	Bradford, Wakefield and Dewsbury
Bradford North	Bradford
Bradford South	Bradford
Bradford West	Bradford
Calder Valley	Calderdale
Colne Valley	Huddersfield
Dewsbury	Huddersfield, Wakefield and Dewsbury
Elmet	Leeds
Halifax	Calderdale
Hemsworth	Wakefield and Dewsbury, Castleford and Pontefract
Huddersfield	Huddersfield
Keighley	Keighley
Leeds Central	Leeds
Leeds East	Leeds
Leeds North East	Leeds
Leeds North West	Leeds
Leeds West	Leeds
Moreley and Leeds South	Leeds
Normanton	Wakefield and Dewsbury, Leeds
Pontefract and Castleford	Castleford and Pontefract
Pudsey	Leeds, Bradford
Shipley	Bradford, Leeds
Wakefield	Wakefield and Dewsbury

North West

Constituency	Travel to work area(s)
Altrincham and Sale	Manchester
Ashton-under-Lyme	Manchester
Barrow-in-Furness	Barrow
Birkenhead	Wirral and Chester
Blackburn	Blackburn
Blackpool north	Blackpool
Blackpool south	Blackpool
Bolton north east	Bolton and Bury
Bolton south east	Bolton and Bury
Bolton west	Bolton and Bury
Bootle	Liverpool
Burnley	Burnley
Bury north	Bolton and Bury
Bury south	Bolton and Bury Manchester
Carlisle	Carlisle
Cheadle	Manchester
City of Chester	Wirral and Chester
Chorley	Chorley
Congleton	Macclesfield Crewe
Crewe—Nantwich	Crewe
Crosby	Liverpool
Daveyhulme	Manchester
Denton and Reddish	Manchester
Eccles	Manchester
Eddisbury	Northwich, Wirral and Chester Widnes and Runcorn

Constituency	Travel to work area(s)
Ellesmere Port and Neston	Wirral and Chester
Fylde	Blackpool, Preston
Halton	Widnes and Runcorn
Hazel Grove	Manchester
Heywood and Middleton	Rochdale
Hyndburn	Accrington and Rossendale
Knowsley north	Liverpool
Knowsley south	Liverpool
Lancaster	Lancaster and Morecombe
Leigh	Wigan and St. Helens
Littleborough and Saddleworth	Rochdale, Oldham
Liverpool, Broadgreen	Liverpool
Liverpool, Garston	Liverpool
Liverpool, Mossley Hill	Liverpool
Liverpool, Riverside	Liverpool
Liverpool, Walton	Liverpool
Liverpool, West Derby	Liverpool
Macclesfiled	Macclesfield
Makerfield	Wigan and St. Helens
Manchester, Blackley	Manchester
Manchester central	Manchester
Manchester Gorton	Manchester
Manchester Withington	Manchester
Manchester Wythenshawe	Manchester
Morecambe and Lunesdale	Lancaster and Morecambe
Oldham Central and Royton	Oldham
Oldham West	Oldham
Penrith and Border	Penrith
Pendle	Pendle
Preston	Preston
Ribble Valley	Clitheroe
Rochdale	Rochdale
Rossendale and Darwen	Accrington and Rossendale
St. Helens North	Wigan and St. Helens
St. Helens South	Wigan and St. Helens
Salford East	Manchester
Southport	Liverpool
South Ribble	Preston
Stalybridge and Hyde	Manchester
Stockport	Manchester
Stretford	Manchester
Tatton	Northwich
Wallasey	Wirral and Chester
Warrington North	Warrington
Warrington South	Warrington
West Lancashire	Liverpool
Westmorland and Lonsdale	Kendal, Windermere
Whitehaven Copeland	Whitehaven
Wigan	Wigan and St. Helens
Wirral West	Wirral and Chester
Wirral South	Wirral and Chester
Workington	Workington, Keswick
Worsley	Bolton and Bury
Wyre	Blackpool

North

Constituency	Travel to work area(s)
Blaydon	Newcastle upon Tyne, Sunderland
Gateshead East	Newcastle upon Tyne
Houghton and Washington	Sunderland
Jarrow	South Tyneside
Newcastle upon Tyne Central	Newcastle upon Tyne
Newcastle upon Tyne East	Newcastle upon Tyne
Newcastle upon Tyne North	Newcastle upon Tyne
South Shields	South Tyneside
Sunderland North	Sunderland
Tyne Bridge	Newcastle upon Tyne
Tynemouth	Newcastle upon Tyne
Wallsend	Newcastle upon Tyne
Berwick upon Tweed	Berwick, Alnwick and Amble, Morpeth and Ashington
Blyth Valley	Newcastle, Morpeth and Ashington
Hexham	Hexham, Newcastle
Wansbeck	Morpeth and Ashington
Bishop Auckland	Darlington Bishop Auckland, Durham
Darlington	Darlington
City of Durham	Durham
North Durham	Durham, Sunderland, Newcastle
North West Durham	Newcastle, Bishop Auckland, Durham
Easington	Sunderland, Hartlepool, Durham
Sedgefield	Hartlepool, Durham, Bishop Auckland, Darlington, Stockton
Hartlepool	Hartlepool
Langbaurgh	Middlesbrough
Middlesbrough	Middlesbrough
Redcar	Middlesbrough
Stockton North	Stockton
Stockton South	Stockton

Wales

Constituency	Travel to work area(s)
Aberavon	Neath and Port Talbot
Alyn and Deeside	Shotton, Flint and Rhyl
Blaenau Gwent	Blaenau Gwent and Abergavenny
Brecon and Radnor	Brecon, Llandrindod Wells
Bridgend	Bridgend
Caernarfon	Pwllheli, Bangor and Caernarfon, Porthmadog and Ffestiniog
Clwyd North West	Flint and Rhyl, Conwy and Colwyn
Clwyd South West	Denbigh, Wrexham, Conwy and Colwyn
Conwy	Bangor and Caernarfon, Conwy and Colwyn
Cynon Valley	Aberdare
Delyn	Shotton, Flint and Rhyl
Gower	Swansea
Swansea East	Swansea
Swansea West	Swansea
Caerphilly	Cardiff, Merthyr and Rhymney
Cardiff Central	Cardiff
Cardiff North	Cardiff
Cardiff South and Penarth	Cardiff
Cardiff West	Cardiff
Carmarthen	Carmarthen, Llandeilo, Llanelli, Lampeter and Aberaeron
Ceredigion and Pembroke North	Aberystwyth, Cardigan; Fishguard, Lampeter and Aberaeron
Islwyn	Merthyr and Rhymney, Newport
Llanelli	Llanelli, Swansea
Meirionydd-Nant-Conwy	Barmouth and Dolgellau, Porthmadog and Ffestiniog, Machynlleth, Conwy and Colwyn
Merthyr Tydfil and Rhymney	Merthyr and Rhymney
Monmouth	Monmouth, Pontypool and Cwmbran, Newport, Blaenau Gwent and Abergavenny
Montgomery	Newtown, Welshpool, Machynlleth
Neath	Neath and Port Talbot, Swansea
Newport East	Newport
Newport West	Newport
Ogmore	Bridgend
Pembroke	South Pembrokeshire, Haverfordwest, Fishguard
Pontypridd	Pontypridd and Rhondda
Rhondda	Pontypridd and Rhondda

Constituency	Travel to work area(s)
Torfaen	Pontypool and Cwmbran
Vale of Glamorgan	Cardiff, Bridgend
Wrexham	Wrexham
Ynys Môn	Holyhead, Bangor and Caernfarfon

Scotland

Constituency	Travel to work area(s)
Roxburgh and Berwickshire	Berwickshire, Hawick, Kelso and Jedburgh
Tweeddale, Ettrick and Lauderdale	Galashiels, Peebles
Clackmannan	Alloa, Falkirk, Stirling
Falkirk East	Falkirk
Falkirk West	Falkirk
Stirling	Stirling, Glasgow
Dumfries	Annan, Dumfries, Lockerbie
Galloway and Upper Nithsdale	Cumnock and Sanquhar, Dumfries, Newton Stewart, Stewartry, Stranraer
Central Fife	Kirkcaldy
Dunfermline East	Dunfermline, Kirkcaldy
Dunfermline West	Dunfermline, Alloa
Kirkcaldy	Kirkcaldy
North East Fife	Dundee, Kirkcaldy, Perth, St. Andrews
Aberdeen North	Aberdeen
Aberdeen South	Aberdeen
Banff and Buchan	Banff, Fraserburgh, Peterhead
Gordon	Aberdeen, Huntly
Moray	Buckie, Elgin, Forres, Keith
Kincardine and Deeside	Aberdeen, Brechin and Montrose
Caithness and Sutherland	Sutherland, Thurso, Wick
Inverness, Nairn and Lochaber	Badenoch, Inverness, Lochaber
Ross, Cromarty and Skye	Invergordon and Dingwall, Inverness, Skye and Wester Ross
East Lothian	Edinburgh, Haddington
Edinburgh Central	Edinburgh
Edinburgh East	Edinburgh
Edinburgh Leith	Edinburgh
Edinburgh Pentlands	Edinburgh
Edinburgh South	Edinburgh
Edinburgh West	Edinburgh
Linlithgow	Bathgate, Falkirk
Livingston	Bathgate, Edinburgh
Midlothian	Edinburgh
Orkney and Shetland	Orkney Islands, Shetland Islands
Argyll and Bute	Campbeltown, Dunoon and Bute, Islay and Mid Argyl, Oban
Ayr	Ayr
Carrick, Cumnock and Doon Valley	Ayr, Cumnock and Sanquhar, Girvan
Clydebank and Milngavie	Glasgow
Clydesdale	Lanarkshire
Cumbernauld and Kilsyth	Glasgow
Cunninhgame North	Dunoon and Bute, Irvine
Cunningham South	Irvine
Dumbarton	Dumbarton
East Kilbride	Glasgow
Eastwood	Glasgow
Glasgow Cathcart	Glasgow
Glasgow Central	Glasgow
Glasgow Garscadden	Glasgow
Glasgow Govan	Glasgow
Glasgow Hillhead	Glasgow
Glasgow Maryhill	Glasgow
Glasgow Pollack	Glasgow
Glasgow Provan	Glasgow
Glasgow Ruthergien	Glasgow
Glasgow Shettleston	Glasgow
Glasgow Springburn	Glasgow
Greenock and Port Glasgow	Greenock
Hamilton	Lanarkshire
Kilmanock and Loudoun	Kilmanock
Monklands East	Lanarkshire
Monklands West	Glasgow, Lanarkshire
Motherwell North	Lanarkshire
Motherwell South	Lanarkshire
Paisley North	Glasgow
Paisley South	Glasgow
Renfrew West and Inverclyde	Glasgow, Greenock, Irvine
Strathkelvin and Bearsden	Glasgow
Angus East	Arbroath, Brechin and Montrose, Dundee
Dundee East	Dundee
Dundee West	Dundee
North Tayside	Blairgowrie and Pitlochry, Forfar, Perth
Perth and Kinross	Crief, Dunfermline, Dundee, Perth
Western Isles	Western Isles

SOCIAL SERVICES

NHS (Residential Accommodation)

Mr. Kirkwood asked the Secretary of State for Social Services how many, and which, health authorities have sought an extension of the 1987 deadline for disposing of surplus housing stock, as provided for by his Department's circular HC(85)19.

Mr. Hayhoe: Health authorities have been asked not to implement any part of their plans for rationalising property holdings that involves giving staff notice to quit, and told that they will be given further advice about the implementation of plans when the National Health Service management board has completed a review of the conditions under which staff occupy residential accommodation. The requirements to dispose of all surplus property by 31 December 1987 no longer applies.

Mr. Meacher asked the Secretary of State for Social Services if he will publish the text of his Department's advice to health authorities giving effect to his policy that no one living in National Health Service nurses' homes is to be made homeless as a result of rationalising the National Health Service residential estate.

Mr. Hayhoe: The advice has been published as circular HC(86)8. A copy has been placed in the Library.

Mr. Meacher asked the Secretary of State for Social Services if he will publish guidelines on what constitutes suitable alternative accommodation, with particular regard to proximity to work and its cost in respect of the programme of rationalisation of the National Health Service residential estate.

Mr. Hayhoe: These matters will be considered as part of a review of the conditions under which staff occupy residential accommodation which the National Health Service management board is undertaking. In the meantime, health authorities have been asked not to give any staff notice to quit without the approval of the Department.

Private Residential Homes

Mrs. Dunwoody asked the Secretary of State for Social Services if he will list the maximum levels of benefit

payable in respect of individuals in a private residential home for (*a*) the elderly, (*b*) the mentally ill and (*c*) the mentally handicapped.

Mr. Major: The maximum amounts of supplementary benefit payable to people in private residential homes are set out in Schedule 1A to the Supplementary Benefit (Requirements) Regulations 1983 as amended.

For claimants in residential care homes the limits for old age, mental illness and mental handicap are £120, £130 and £150 respectively.

For claimants in nursing homes, these same limits are £170, £180 and £200.

Mammographic Units

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will estimate the current total annual cost of providing mammographic units under the National Health Service.

Mr. Hayhoe: I regret that the information on which to make such an estimate is not collected centrally.

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will give a breakdown by health authority of the numbers of mammographic units which are available under the National Health Service.

Mr. Hayhoe: While information on the number of mammographic units is not collected routinely the following table sets out those districts which, as at January 1986, are understood to have mammographic machines which had been installed or upgraded since 1975.

Regional Health Authority	*District*
Northern	South Tees
	North West Durham
	South West Durham
	Gateshead
	Sunderland
Yorkshire	Scunthorpe
	Northallerton
	Harrogate
	Airedale
	Huddersfield
	Dewsbury
	Leeds Western
	York
	Bradford
	Hull
	Grimsby
Trent	Southern Derbyshire
	Leicestershire
	Bassetlaw
	South Lincolnshire
	Nottingham (3)
	Rotherham
	Sheffield
East Anglian	Cambridge
	Huntingdon
	West Norfolk and Wisbech
	West Suffolk
	East Suffolk
South West Thames	North West Surrey
	West Surrey and North East Hampshire
	South West Surrey (2)
	East Surrey
	Mid-Downs (2)
	Worthing
	Croydon
	Wandsworth
North West Thames	South Bedfordshire
	North West Hertfordshire
	Barnet
	Harrow
	Hounslow
	Ealing
	Riverside
	Paddington
North East Thames	Barking, Havering and Brentwood (2)
	Bloomsbury
	City and Hackney
	Hampstead
	Haringey
	Islington
	Mid Essex
	Newham
	Waltham Forest
	West Essex
South East Thames	Brighton
	Bromley
	Camberwell
	Canterbury (2)
	Dartford and Gravesham
	Eastbourne
	Maidstone
	Medway
	South East Kent (2)
	West Lambeth
Wessex	East Dorset
	Portsmouth
	Southampton
	Winchester
	Salisbury
	Bath
	Isle of Wight
Oxford	East Berkshire
	West Berkshire (2)
	Aylesbury Vale
	Wycombe
	Milton Keynes
	Oxford (2)
	Northampton
South Western	Bristol and Weston
	Cheltenham
	Cornwall
	Gloucester
	North Devon
	Somerset
	Torbay
West Midlands	Bromsgrove and Redditch
	South East Staffordshire
	Worcester
	North Staffordshire
	Central Birmingham
	South Birmingham
	West Birmingham
	Coventry
	Dudley
	Sandwell
	Walsall
	Wolverhampton
	North Birmingham
	Shropshire
	South Warwickshire
	Rugby

Regional Health Authority	*District*
Mersey	Southport and Formby
	South Sefton (2)
	Liverpool
	Wirral (3)
	Chester
	Crewe
	Warrington
North Western	Blackburn
	Burnley
	West Lancashire
	Wigan
	Salford
	South Manchester
	Rochdale
Special Health Authorities	
	The Royal Marsden (3)

All districts shown have one machine except where otherwise indicated in parenthesis.

Mrs. Ann Winterton asked the Secretary of State for Social Services how many health authorities currently have agreements with private health companies for the provision of mammography units; and what is the average cost to the National Health Service per patient visit of attending such units.

Mr. Hayhoe: I regret that this information is not collected centrally.

Mobility Allowance

Mr. Hannam asked the Secretary of State for Social Services what is the total expenditure on mobility allowance; and, of this, how much is spent *(a)* on administration and *(b)* on appeals against decisions.

Mr. Newton: In 1985-86 payments of mobility allowance amounted to an estimated £430 million. No figures are available for the administrative cost of appeals against decisions, but the latest available information indicates that in 1984-85 the total cost of administering the allowance, including appeals, was about £10 million.

Mr. Hannam asked the Secretary of State for Social Services what is the current total number of claimants for mobility allowance; and how many new claimants there have been for each year since 1980.

Mr. Newton: Four hundred and twenty six thousand three hundred people are currently receiving mobility allowance. The net increase in the number of recipients for each year since 1980 is as follows:

	£
1980	*46,200
1981	25,800
1982	42,700
1983	49,000
1984	51,000
1985	53,100

* The 1980 figure is high because it includes claimants in the 61-65 age group who could claim for the first time for September 1979 onwards under the phasing arrangements.

Mr. Ashley asked the Secretary of State for Social Services how many representations he has received *(a)* from individuals and *(b)* from organisations on the eligibility requirements of mobility allowance; and what has been the nature of these representations.

Mr. Newton: We regularly receive a wide range of representations from individuals and organisations of disabled people about the qualifying conditions for mobility allowance. These include representations to extend or abolish the age limits; to include disabled people who can walk but need guidance or supervision to make use of their walking ability; to include specific groups such as the blind and deaf-blind, the mentally handicapped and autistic children; to include people with specific medical conditions such as epilepsy or agoraphobia; to take account of personal factors such as the availability of public transport and the ability to use it; and to make the allowance means-tested.

Mr. Ashley asked the Secretary of State for Social Services (1) for each year since 1980, how many renewal claims have been made for mobility allowance; of these, how many have been unsuccessful; how many have gone on to appeal; and how many of these have been successful;

(2) what are the principal reasons why renewal claimants of mobility allowance fail to have their mobility allowance renewed; and how many have been disallowed mobility allowance despite no change in their medical condition.

Mr. Newton: Information about the number of renewal claims for mobility allowance in 1980 and 1981 is not available. The figures for subsequent years are as follows:

	Number of renewal claims decided	*Number of renewal claims unsuccessful*
1982	21,240	4,110
1983	19,500	3,050
1984	23,950	4,050
1985	27,520	5,020

I regret that our records do not include the reasons for disallowance of renewal claims or information about the number of these claims which went to appeal and their outcome.

Social Security (Hippies)

Mr. McCrindle asked the Secretary of State for Social Services (1) if he has any plans to set up a register of social security claims by hippies;

(2) what evidence he has of duplicate social security claims by hippies; and if he will make a statement.

Mr. Major: The Department's Wales and south-western region has set up an index of supplementary benefits claims made by large groups of nomadic claimants. This is a fraud prevention device which helps to confirm their identity when, in the course of their travels, they make claims in different offices. The index has been used in handling claims from members of the hippy convoy. Similar action will be taken in other areas if appropriate. A number of claims have been refused because officials were not satisfied with evidence of identity produced by the claimants, and some claims which appear to be fraudulent are being investigated with a view to prosecution if appropriate.

Child Benefit

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what is the nature of the Government's commitment in regard to the uprating of child benefit; and

if he will make it his policy that future changes will be planned so that the uprating of child benefit corresponds to the changes in income tax allowances.

Mr. Newton: Our objective is to maintain a balanced programme of family support providing all families with a contribution towards the cost of bringing up children, in the form of Child Benefit, whilst at the same time directing extra help to low income families. The Government remain firmly committed to child benefit, but consider that increases in its level are most appropriately considered at each uprating in the context of this overall objective for family support, and of the balance of social security expenditure as a whole.

Local Offices (Wales)

Mr. Wigley asked the Secretary of State for Social Services what proportion of the staff of the local and regional offices of his Department in Wales at each professional level are competent to carry out their business through the medium of both the English and Welsh languages.

Mr. Major: The information is as follows:

	Total	*Welsh speakers*	*per cent.*
Assistant Secretary	1		
Senior Principal	2		
Principal	13		
Senior Executive Officer	47	5	10·63
Higher Executive Officer	213	26	12·2
Executive Officer/ Local Officer I	1,128	145	12·85
Clerical Officer/ Local Officer II	2,299	184	8
Clerical Assistant	578	27	4·6
Typist	104	6	5·76
Others	120	4	3·3
Total	4,505	397	8·81

Mr. Wigley asked the Secretary of State for Social Services what criteria as to the linguistic competence of the candidates in Welsh and English are used by his Department in employing staff at each professional level at the local and regional offices in Wales.

Mr. Major: There are no criteria as to the Welsh speaking skills of local and regional office staff recruited in Wales. The Department is an equal opportunity employer and does not discriminate either against or in favour of Welsh speaking candidates.

Mr. Wigley asked the Secretary of State for Social Services what criteria are employed by his Department in deciding which forms, leaflets, posters and other printed matter should be in *(a)* Welsh and *(b)* bilingual Welsh/English.

Mr. Major: In considering the publication of forms, leaflets and posters in the Welsh language the Department of Health and Social Security takes the following factors into consideration:

(i) the importance of the communication;
(ii) whether the response to it is to be processed locally;
(iii) whether there is sufficient continuing demand to make publication in Welsh economically viable.

Mr. Wigley asked the Secretary of State for Social Services how many local offices of his Department in Wales show the poster, "Welsh Forms and Leaflets are Available at This Office – Please ask the Receptionist".

Mr. Major: This poster is currently displayed in 20 of the Department's local offices in Wales.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will list the external legal advice he has sought on the legality of circular S51/85; and if he will make a statement.

Mr. Newton: I refer the hon. Member to my reply to him on 10 June at column *146*.

Family Credit

Mr. Craigen asked the Secretary of State for Social Services if he will include *(a)* the Child Poverty Action Group and *(b)* other representative bodies concerned with low-income families in his review of the family credit scheme; and what written representations he has so far received about his review.

Mr. Newton: In reconsidering the mechanism by which family credit is to be paid my right hon. Friend is having regard to all the concerns which have been expressed on this issue, including those by the Child Poverty Action Group and other bodies. Since the reconsideration was announced several further written representations have been received, including one from the Child Poverty Action Group.

Potassium Iodate Tablets

Mr. Dobson asked the Secretary of State for Social Services, pursuant to the answer of 3 June, *Official Report*, column *541*, (1) when he expects to provide a substantive answer to the question from the hon. Member for Holborn and St. Pancras about the length of time potassium iodate tablets have been held in stock;

(2) when he expects to provide a substantive answer to the question from the hon. Member for Holborn and St. Pancras about the shelf life of potassium iodate tablets.

Mr. Whitney: I replied to the hon. Member yesterday.

Reye's Syndrome

Mr. Ashley asked the Secretary of State for Social Services when the report of the British Reye's syndrome surveillance was completed; when it was received by the Committee on Safety of Medicines; when it was discussed; and what was the conclusions of the report and the views of the committee.

Mr. Hayhoe: I refer the right hon. Member to the reply from my hon. Friend the Parliamentary Under-Secretary of State to him on 13 May at column *448* and to my reply to my hon. Friend the Member for Salisbury (Mr. Key) on 10 June at columns *145-46*.

Mr. Ashley asked the Secretary of State for Social Services (1) when the Committee on Safety of Medicines met to discuss the relation between Reye's syndrome and the taking of aspirin; what new evidence it discussed; if he will list the occasions, since the meeting in 1982, when

Reye's syndrome was discussed; when the committee was informed that the United States authorities intended to require warning labels on aspirin; if the committee had been informed of the decline in the incidence in Reye's syndrome in the United States of America that followed; and if he will make a statement;

(2) which manufacturers of aspirin, or organisations representing them, made representations to the Committee on Safety of Medicines regarding the taking of aspirin by children and its possible link with Reye's syndrome; and when they did so.

Mr. Hayhoe: The Committee on Safety of Medicines, which has since 1982 been keeping under review the possibility of a link between Reye's syndrome and aspirin, began in March 1985 to re-examine all the available evidence. In April 1985 the Committee gave further consideration to this issue and advised that the available evidence had not established a causal link between aspirin use and Reye's syndrome. In March 1986 the Committee again reviewed all available evidence on Reye's syndrome and aspirin including: the report of the pilot phase of the United States of America public health services study on Reye's syndrome and medications, published in the *New England Journal of Medicine* on 3 October 1985; "United States of America Morbidity and Mortality Weekly Reports on Reye's Syndrome for 1985", published on 7 February 1986; a proposed rule by the United States Food and Drug Administration on labelling for oral aspirin-containing drug products published in the Federal Register on 17 December 1985; and a preliminary communication from the authors of the uncompleted Reye's syndrome risk factor study based on the British Reye's syndrome surveillance scheme. In April and May 1986 the committee gave further consideration to the possible link between aspirin and Reye's syndrome and possible steps to reduce the use of aspirin by children, including consideration of papers provided by the Aspirin Foundation and the Proprietary Association of Great Britain and a summary of the views of some Companies.

On 29 May the Committee concluded that while the causes of Reye's syndrome are not clearly defined, and its epidemiology in the United Kingdom differs from that in the United States of America, aspirin may be a contributory factor to the causation of Reye's syndrome in some children in the United Kingdom. It accordingly recommended that aspirin should no longer be given to children aged under 12 years unless specifically indicated and endorsed the programme of action to be carried through by the pharmaceutical industry and the Health Departments as set out in my reply to my hon. Friend the Member for Salisbury (Mr. Key) on 10 June at columns *145-46*.

Mr. Ashley asked the Secretary of State for Social Services if he will publish in full the recommendations of the Committee on Safety of Medicines on the taking of aspirin by children; and if he will make a statement.

Mr. Hayhoe: I refer the right hon. Member to my reply to my hon. Friend the Member for Salisbury (Mr. Key) on 10 June at columns *145-46* and to the letter from the chairman of the Committee on Safety of Medicines of the same date, a copy of which is in the Library, in which the committee set out in full its advice to doctors, dentists and pharmacists. The committee has also prepared a more detailed scientific statement on Reye's syndrome and aspirin which I understand will be published this week in the CSM Update series in the *British Medical Journal*.

Mr. Ashley asked the Secretary of State for Social Services if he will detail the action taken by his Department to explore the possibility of a link between the taking of aspirin and Reye's syndrome; and if he will estimate its cost.

Mr. Hayhoe: The Department has kept in close touch with studies by the Committee on Safety of Medicines of all the available evidence, from this country and overseas, of possible links between aspirin and Reye's syndrome. This evidence includes the preliminary results of the Reye's syndrome risk factor study, run jointly in the United Kingdom by the British Paediatric Association and the communicable disease surveillance centre of the public health laboratory service. The study is conducted by members of the CDSC but it is difficult to separate out the cost of this work from the total cost of CDSC to public funds.

Residential Homes

Mr. Bermingham asked the Secretary of State for Social Services (1) what is the present number of persons resident in homes subject to the Registered Homes Act 1984 in *(a)* the private sector and *(b)* the public sector; and how many persons the Government estimate will be in these homes in (i) three years' time, (ii) five years' time and (iii) 10 years' time;

(2) what was the level of Government expenditure on homes subject to the Registered Homes Act 1984 in *(a)* the private sector and *(b)* the public sector in 1980, 1981, 1982, 1983, 1984 and 1985;

(3) what number of homes subject to the Registered Homes Act 1984 in *(a)* the private sector and *(b)* the public sector had their licences withdrawn, and for what reasons, in 1980, 1981, 1982, 1983, 1984 and 1985;

(4) what representations he has received regarding patient care in homes subject to the Registered Homes Act 1984.

Mr. Whitney: The Registered Homes Act 1984 applies only to voluntary and privately run residential care homes and nursing homes; it does not apply to homes in the public sector.

The number of people or places in England in registered residential care homes at 31 March 1985 and of beds in nursing homes at 31 December 1984 was as follows:

	Numbers
Residential care homes for elderly and younger disabled people	98,758 residents
Residential care homes for people with mental disorders	10,146 places
Nursing homes	42,898 beds

It is not practicable to estimate how many people will be in homes in the future.

Expenditure by health and local authorities in England under contractual arrangements for the care of people in these homes and payments of supplementary benefit board and lodging allowances in Great Britain to people in them has been as follows:

	Health Authorities £ million	Local Authorities £ million	Supplementary Benefit Board and Lodging Allowances	£ million
1979-80	23	59	1979	10
1980-81	29	72	1980	18
1981-82	32	84	1981	23
1982-83	34	96	1982	39
1983-84	35	104	1983	105
1984-85	40	†	1984	*190
1985-86	†		1985	†

* Estimate
† Not available

For information about registrations withdrawn I refer the hon. Member to my replies to the hon. Member for Liverpool, West Derby (Mr. Wareing) on 6 May at column *76* and on 15 May at column *532*. The reasons for registrations being withdrawn ranged from unfitness to run a home to inadequate accommodation, staffing, services or facilities. A few representations have been received about the standard of care in these homes. The two-year study which the Department's Social Services Inspectorate is carrying out into the effects of the new legislation will consider the impact of the changes on the quality of care provided in the homes. A report is expected around the turn of the year.

Visual Display Units

Mr. Bermingham asked the Secretary of State for Social Services (1) what research has been carried out into the health effects on children of their use of visual display units; what plans Her Majesty's Government have for further research into this area; and if he will make a statement;

(2) what representations he has received regarding the health effects on children of their use of visual display units; and if he will make a statement.

Mr. Whitney: No research is being undertaken at present and none is planned as I am advised it is not warranted. There have been no representations about health effects on children, and I am advised that there is no indication that children in general are at risk from using visual display units.

I am advised that extensive surveys both in the United Kingdom and abroad for electromagnetic radiation from visual display units have shown these to be below the maximum limits for continuous occupational exposure. Poor viewing conditions may present ergonomic problems and badly adjusted or maintained sets can effect people who are susceptible to migraine or epilepsy.

Departmental Costs

Mr. Stevens asked the Secretary of State for Social Services whether any changes are to be made to cash limits or gross running costs for his Department; and if he will make a statement.

Mr. Fowler: Subject to Parliamentary approval of the necessary Supplementary Estimates, the following changes will be made:

The cash limit for Class XIV Vote 1 (Hospital and Community Health and Other Services, England) will be increased by £49,640,000 (from £9,620,572,000 to £9,670,212,000) and that for Class XIV, Vote 3 (Miscellaneous Health and Personal Social Services, England) by £360,000 (from £389,061,000 to £389,421,000 (£300,000 of this change represents an increase in Departmental gross running costs). These increases should enable services to continue to be delivered and developed as planned following the decision to implement, from July 1986, the recommendations of the Review Bodies in respect of doctors, dentists, nurses, midwives and professions allied to medicine, as announced by my right hon. Friend, the Prime Minister, on 22 May 1986.

The cash limit for Class XV, Vote 5 (Administration and Miscellaneous Services) will be increased by £5,360,000 from £1,163,288,000 to £1,168,648,000. The increase is in respect of an agency payment of £6,800,000 to the Department of Employment, partially offset by recoveries totalling £1,440,000 from the National Insurance Fund. This reflects an increase in the costs of administration of the Unemployment Benefit Service as one consequence of the special employment measures announced by my right hon. Friend, the Chancellor of the Exchequer, in his Budget Statement on 18 March 1986.

As a result of these changes, the gross running cost limit of the Department of Health and Social Security is increased by £7,100,000 from £1,808,740,000 to £1,815,840,000.

The public expenditure costs of these changes have been charged to the Reserve and do not add to the public expenditure planning total.

Written Answers to Questions

Monday 16 June 1986

TRADE AND INDUSTRY

British Shipbuilders (External Finance Limit)

Mr. Gerald Bowden asked the Secretary of State for Trade and Industry if he will make a statement on the external finance limit for British Shipbuilders for 1986-87.

Mr. Peter Morrison: The external financing limit for British Shipbuilders for 1986-87 is being increased by £57 million from £73 million to £130 million. This increase primarily reflects the additional costs to British Shipbuilders this year of its restructuring programme announced on 14 May at column 705, including the cost of establishing British Shipbuilders Enterprise Ltd. The increase also reflects the fact that significant payments for vessels under construction will not now be received until 1987-88. Provision for this additional funding in the form of public dividend capital is subject to parliamentary approval of the necessary Supplementary Estimate. The increase in the EFL will be charged to the Reserve net of some offsetting savings on existing programmes. Therefore there is no increase in the public expenditure planning total.

Calderdale

Mr. Galley asked the Secretary of State for Trade and Industry what was the total amount of regional aid given to the Calderdale metropolitan borough area as a result of assisted area status in each year from 1974-75 to 1982-83; and what other aid has been given to the area by his Department in each year from 1974-75 to 1985-86.

Mr. Peter Morrison: Amounts of regional selective assistance paid to companies in the Calderdale metropolitan borough area were as follows:

	£
1974-75	97,892
1975-76	246,656
1976-77	195,166
1977-78	221,449
1978-79	277,883
1979-80	648,403
1980-81	622,667
1981-82	475,245
1982-83	523,744

Details of other aid are not available in the form requested.

ESPRIT

Mr. Richard Page asked the Secretary of State for Trade and Industry if he will list the number of applications and amounts of those applications by each of the countries involved against the size of the ESPRIT budget.

Mr. Pattie: Information of this nature is supplied to member states on a confidential basis and its disclosure is a matter for the Commission, under the ESPRIT regulations. I am therefore asking my officials to write to the Commission on my hon. Friend's behalf with his request.

Inflatable Dinghies and Airbeds

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry how many deaths have resulted from accidents involving inflatable dinghies and airbeds in the last five years.

Mr. Howard: The only information available at reasonable cost relating specifically to fatal accidents involving inflatable dinghies and airbeds is produced by the Royal Society for the Prevention of Accidents. It is based on drownings reported in the local press and may therefore miss some cases. The figures available for drownings involving an inflatable, which would exclude professional inflatable craft, are as follows:

	Numbers
1983	3
1984	7
1985	5
1986*	3

*To date.

The Royal Life Saving Society produced information on drownings in 1982 and 1983 based on police reports. These include a category called "playing on rafts and inflatables" for which they recorded the following numbers:

	Numbers
1982	7
1983	8

Chemical Industry (Environmental Controls)

Mr. Stern asked the Secretary of State for Trade and Industry what recent representations he has received about the chemical industry's compliance with environmental controls.

Mr. Peter Morrison: None, but the chemical industry's record of compliance with environmental regulations is good. The industry devotes considerable resources to the protection of the environment.

Northern Region (Industrial Base)

Mr. Garrett asked the Secretary of State for Trade and Industry if he will take steps to commission an up-to-date report on the future industrial base for the northern region; and if he will make a statement.

Mr. Peter Morrison: I have no plans to commission such a report. My Department already keeps in close touch with the industrial situation in the regions through its regional offices.

Copyright Law

Mr. Alan Howarth asked the Secretary of State for Trade and Industry whether he proposes that changes should be made to the existing provisions of copyright law relating to commissioned works of art; and if he will make a statement.

Mr. Pattie: As recently announced in the White Paper "Intellectual Property and Innovation" Cmnd. 9712 the Government have concluded that it is unnecessary and undesirable to change either the basic ownership provision or the existing specific exceptions covering commissioned works of art in the Copyright Act 1956. However, since publication of the White Paper we have had further representations on the subject and we will look at the matter again in the light of these representations.

High Technology Products

Mr. Carter-Jones asked the Secretary of State for Trade and Industry what guidelines his Department gives to key British industries on the purchase of high technology products; what assessment he has made of the implications for the United Kingdom aero-engine industry of a decision to place abroad the orders for the new Boeing 747 replacement; and if he will make a statement.

Mr. Pattie: The major industries in the public sector have expressed their support for the Government's public purchasing initiative. This encourages purchasers, as a matter of enlightened self-interest, to use their purchasing power in a positive way to help develop the design, technology and international competitiveness of their suppliers. It does not lessen the need for suppliers to win business on merit.

My Department is in touch with Rolls-Royce about the engines which it is offering for the Boeing 747 aircraft. British Airways is evaluating the quotations it has received from the major aero-engine manufacturers, and when it has completed its evaluation it will put proposals to my right hon. Friend the Secretary of State for Transport.

A330 and A340 Projects

Mr. Carter-Jones asked the Secretary of State for Trade and Industry what is his policy towards support for the A330 and the A340 projects; if his Department will take steps to seek to promote an active British participation for engines, airframe and avionics in these projects; and if he will make a statement.

Mr. Pattie: My Department fully supports, in principle, the development of the Airbus family to cover a wider market range, and hopes that British airframe, aero-engine and avionics manufacturers will be able to participate in new Airbus projects that prove to have strong prospects of commercial viability. Airbus Industrie and the industrial partners are currently engaged in detailed studies of the A330/A340 projects and, until they have reached their own conclusions it is not possible for Governments to form a view on them. Any request for launch aid to meet the residual requirements for finance not met from the private sector would be carefully considered on its merits in the context of the financial constraints within which the Government must work.

Departmental Advisory Services

Mr. Bellingham asked the Secretary of State for Trade and Industry if he will make a statement about problems caused by the high level of demand for his Department's business and technical advisory services.

Mr. Butcher: I will reply to my hon. Friend as soon as possible.

WALES

Small Businesses

Mr. Ashdown asked the Secretary of State for Wales if he will list those measures introduced within his Department within the past year and intended to be of benefit to small businesses.

Mr. Wyn Roberts: The Department has continued to encourage small businesses in Wales against the background of the very wide range of measures introduced by this Department including, for example, those about deregulation described in the White Paper "Building Businesses . . . Not Barriers", Cmnd. 9794, on 22 May 1986.

Counselling and Advisory Services

The Welsh Development Agency administers the counselling service in Wales and the agency, Mid Wales Development and the Wales Tourist Board continue to provide a range of advisory services for the benefit of small firms. On 1 January 1986 the Small Firms Centre, previously administered by the Department, was transferred to the Welsh Development Agency and we believe this merging of the counselling service and centre will provide a more effective service to its clients.

Local Enterprise Agencies

We continue to support local enterprise agencies in Wales and have approved the registration of two new agencies during the past 12 months and are considering applications from a further three. We are also giving urgent consideration as to how best the future funding of local enterprise agencies in Wales might be arranged and expect to make an announcement shortly.

Rural Enterprise Initiative

Many of the elements of the rural enterprise initiative which we announced on 24 March will be of particular benefit to small firms. They include, for example, streamlined administrative and more flexible security arrangements for loans to new and small firms.

Motorway and Trunk Road Construction

Mr. Roy Hughes asked the Secretary of State for Wales if he will list the 10 contractors who have received the largest share of motorway and trunk road construction contracts in the past three years, giving for each contractor the total value of contracts received.

Mr. Wyn Roberts: The information requested is as follows:

	Total value of contracts £
1. Cementation Construction Ltd.	*14,695,224
2. Thyssen (GB) Ltd.	†14,482,798
3. Taylor Woodrow Construction Ltd.	‡14,304,781
4. Costain Civil Engineering Ltd.	||13,649,999
5. Balfour Beatty Ltd.	10,674,913
6. A. Monk and Co. plc.	10,338,819
7. John Laing Construction Ltd.	9,810,216
8. Amey Roadstone Construction Ltd.	8,841,076
9. McTay Construction Ltd.	4,111,371
10. Christiani and Nielsen Ltd.	2,014,446

* Includes £13,649,999 in Joint Venture with Costain Civil Engineering Ltd.

† Includes £14,304,781 in Joint Venture with Taylor Woodrow

Construction Ltd.
‡ In Joint Venture with Thyssen (GB) Ltd
In Joint Venture with Cementation Construction Ltd.

Mr. Roy Hughes asked the Secretary of State for Wales if he will list all road construction contracts which his Department intends to award in 1986-87, showing in each case the total value of the contract and the expenditure likely to be incurred in that year.

Mr. Wyn Roberts: Subject to the satisfactory completion of statutory procedures, the completion of engineering design and the availability of resources we hope to let contracts for the following major schemes in 1986-87:

A55 Glan Conwy to Conwy Morfa (Conwy Crossing);
A483 Gresford-Pulford Bypass;
A40 Haverfordwest Relief Roads; and
A487 Pont Rhyd Llwyncelyn.

In addition, we expect to let some contracts for schemes costing less than £1 million. Schemes in this category are not programmed for a start in a specific year and the choice of project will depend on their state of preparedness and on the availability of resources.

It is not possible to give the cost of the contracts or of the expenditure incurred in 1986-87 since this will depend on the value of the accepted tenders and the contractors' programmes.

Premises (Powers of Entry and Search)

Mr. Michael Brown asked the Secretary of State for Wales how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions and, in each case, if he will indicate the statutory authority under which power is exercised.

Mr. Wyn Roberts: I will write to my hon. Friend and place a copy of my letter in the Library.

Children with Special Educational Needs

Mr. Gareth Wardell asked the Secretary of State for Wales what percentage of children entering secondary education in Wales have special educational needs; and if he will publish such figures for each local education authority.

Mr. Wyn Roberts: Information in the form requested is not available. The latest available figures relating to special education are given in section 7 of "Statistics of Education in Wales", No. 10, 1985, a copy of which is in the Library.

NHS (General Managers)

Mr. Kirkwood asked the Secretary of State for Wales to what extent general managers have been appointed at district health authority and unit level in Wales.

Mr. Wyn Roberts: District general managers have been appointed in all nine district health authorities in Wales and 29 of the proposed 32 unit general manager appointments have been made.

National Museum of Wales

Mr. Faulds asked the Secretary of State for Wales whether he will request the Museums and Galleries Commission to undertake a formal investigation into the administration of the National Museum of Wales and in particular the conservation of the Welsh national collection of works of art; and if he will make a statement.

Mr. Wyn Roberts: No. Under the terms of the museum's royal charter, the council is responsible for the management of the museum. It has set up a full independent inquiry into the conduct and management of the department of art and a report is expected shortly.

GCSE (Representations)

Mr. Wigley asked the Secretary of State for Wales how many letters he has received to date from *(a)* organisations and *(b)* individuals calling for a 12 month postponement in introducing the new General Certificate of Secondary Education examination in Wales; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply to my hon. Friend the Member for the Vale of Glamorgan (Sir R. Gower) on 9 June in column 73.

Cardigan School of Dancing

Mr. Gareth Wardell asked the Secretary of State for Wales if the Cardigan School of Dancing Ltd. is an institution registered with his Department; and if he will make a statement.

Mr. Wyn Roberts: The Department holds no information on this institution; it is not registered as an independent school within the provisions of section 70 of the Education Act 1944.

Refuse Disposal

Mr. Robin Cook asked the Secretary of State for Wales if he will publish in the *Official Report* a table showing by local authority and for all of Wales *(a)* the number of people employed in refuse collection in 1979-80 and the year for which the most recent figures are available and *(b)* the number of people employed in street cleansing in 1979-80 and the year for which the most recent figures are available.

Mr. Wyn Roberts: Numbers of staff employed by Welsh local authorities on refuse collection and disposal are given below. Information relating to the more detailed service breakdown requested is not available centrally. Information for individual authorities are held only at all-service level.

Local authority staff employed in refuse collection and disposal (Wales)

	June 1979	*June 1985*
Full-time	2,382	1,860
Part-time	3	10
Total number (full-time) and part-time	2,385	1,870
Full-time equivalents	2,383	1,864

OVERSEAS AND DEVELOPMENT

Pensions

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the figures of the total paid out of the pension fund of the Federation

of Central Africa public service each year since the dissolution of the federation, specifying that part devoted to the actual payment of pensions and that part devoted to administration expenses.

Mr. Raison: The figures are as follows:

	Pensions and other benefits Z$ '000	*Administrative expenses Z$ '000*
1964	2,691	5
1965	1,552	11
1966	1,172	14
1967	1,507	13
1968	1,361	23
1969	1,216	23
1970	2,448	51
1971	2,420	75
1972	2,380	52
1973	2,541	47
1974	2,886	55
1975	3,115	69
1976	3,260	96
1977	2,420	105
1978	2,375	121
1979	2,578	126
1980	2,726	127
1981	3,491	165
1982	3,251	234
1983	3,087	217
1984	2,709	244

Notes:
(1) All amounts are Zimbabwe dollars (or Rhodesian pounds wher applicable).
(2) Figures are for the year ending 31 July, expect for 1964 which covers the seven months ending 31 July.
(3) Figures for 1985 are not yet available.

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress made with the consolidation of widows and orphans pension funds relating to the Overseas Civil Service and the application of the proceeds from the sale of assets held by the separate funds.

Mr. Raison: Last year the assets of the four Indian family pension funds were realised and the proceeds paid over to the Exchequer in return for the guaranteed payment of all existing and future pensions. Similar arrangements are in preparation for the colonial widows and orphans pension funds for which the British Government have assumed responsibility under the pensions takeover programme. These arrangements will result in significant savings in administrative costs whilst preserving the pensioners' entitlements.

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the territories in the Commonwealth whose pension obligations towards their former expatriate staff have been taken over by the United Kingdom and those for which similar arrangements have not yet been made; and if he will make a statement on progress made in this respect.

Mr. Raison: The Commonwealth countries whose pension obligations towards certain former expatriate staff have been taken over by the United Kingdom are:

Antigua
Barbados
Belize
Botswana
Cyprus
Dominica
Fiji
Gambia
Ghana
Grenada
Guyana
Jamaica
Kenya
Kiribati
Lesotho
Malawi
Malaysia
Malta
Mauritius
Nigeria
St. Kitts
St. Lucia
St. Vincent
Seychelles
Sierra Leone
Singapore
Solomon Islands
Sri Lanka
Swaziland
Tanzania
Uganda
Vanuatu
Zambia

Certain pension obligations of the former East African community have also been taken over.

The Commonwealth countries with who similar arrangements have not yet been made are:

(1) *Bangladesh:* There are roughly 150 eligible pensioners who will be formally taken over when arrangements for the transfer of certain residual Pakistan pensions are complete.
(2) *India:* Responsibility for the main body of Indian pensions was transferred in 1955; a small residual group of about 200 pensioners remains.
(3) *Trinidad:* There are approximately 100 eligible pensioners.

We expect to complete arrangements to take over these pensions during the course of this year. Financial settlements consequent upon this takeover programme remain to be concluded with 23 of the countries listed above. We expect this process to be completed within the next two years.

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the actuarial valuation of the central African pension fund at the most recent date available; and if he will make a statement as to the Government's policy towards the fund.

Mr. Raison: The interim actuarial valuation of the central African pension fund as at 31 July 1983 showed the following:

	Zimbabwe dollars million
Assets	30·6
Liabilities	27·5
Estimated surplus	3·1

These figures were based on certain assumptions, including exchange rates. A full valuation is in the course of preparation.

The British Government, in common with the three other guarantor Governments — Malawi, Zambia and Zimbabwe — are concerned to ensure that the fund has sufficient resources to enable it to meet its commitments. In particular, the British Government have undertaken to meet 25 per cent. of any deficit revealed by periodic actuarial valuations of the fund. We have contributed some £4 million since 1964 under this arrangement.

Sub-Saharan Africa

Mr. Spencer asked the Secretary of State for Foreign and Commonwealth Affairs what was the total value of British bilateral aid to sub-Saharan African countries in 1985; and what proportion of this was used for agriculture and related activities.

Mr. Raison: British bilateral aid directly allocable to sub-Saharan countries in 1985 totalled £285 million. Figures on the proportion of this used for agriculture and related activities are not yet available. In 1984 30 per cent.

of our bilateral aid allocable by sector in sub-Saharan African countries was devoted to agriculture and related activities.

Semi-Arid Tropics (Research)

Mr. Spencer asked the Secretary of State for Foreign and Commonwealth Affairs what contribution is made by the United Kingdom to the international agricultural research centre for research in the semi-arid tropics; what assessment he makes of the research carried out there; and if he will make a statement.

Mr. Raison: The International Crop Research Institute for the Semi-Arid Tropics (ICRISAT) plays an important part in the attack on the key problems of agricultural development in the semi-arid areas. We particularly welcome its growing focus on African problems. Since its foundation in 1972, Britain has committed a total of £6·777 million to ICRISAT. In 1986-87 our contribution will be £860,000. In addition, we are financing at British institutions sixteen research and development schemes, costing a total of £2·6 million, which support the ICRISAT research programme.

SOLICITOR-GENERAL FOR SCOTLAND

Procurator Fiscal's Service

Mr. Wilson asked the Solicitor-General for Scotland how many legally qualified staff in the procurator fiscal's service have resigned their posts since January; and what plans he has to replace them.

The Solicitor-General for Scotland: Since 1 January 1986 seven legally qualified staff have resigned their posts. All have been replaced, or are in the process of being replaced.

EDUCATION AND SCIENCE

Foreign Language Teaching

Mrs. Currie asked the Secretary of State for Education and Science if he will now publish his planned policy statement on foreign language teaching in schools.

Mr. Kenneth Baker: A new start is needed in foreign language teaching in schools. If we are to compete effectively in world markets and to communicate on equal terms with our European partners, we need to increase substantially the numbers of young people leaving school with a good grounding in at least one foreign language. To this end, my right hon. Friend the Secretary of State for Wales and I have today published a draft statement of policy on foreign languages in the school curriculum. It sets out a programme of vigorous action which is in our view essential to raise standards. We hope that these policy measures will be matched by a growing appreciation on the part of employers and parents of the value of foreign language skills.

The draft policy statement is being sent for comment to a wide range of organisations in education and in industry and commerce. We intend to issue it substantively before the end of the year. Copies of the draft statement have been placed in the Library.

University Grants Committee

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what is the background of each member of the University Grants Committee; and if he will list, where appropriate, the university with which they are associated.

Mr. Walden: The information is as follows:

Chairman

Sir Peter Swinnerton-Dyer FRS
Formerly Master of St. Catherine's College, Cambridge.

Members

Sir Peter Baxendell CBE
Director, Shell Transport and Trading Company.

Professor J. A. Cannon CBE
Professor of History, University of Newcastle-upon-Tyne.

Sir Robert Clayton CBE
Formerly Technical Director of The General Electric Company plc.

Dr. S. Cotson
Deputy Director, Leicester Polytechnic

Professor C. T. Dollery
Professor of Clinical Pharmacology, Royal Postgraduate Medical School, University of London.

Professor K. Entwistle
Professor of Metallurgy and Materials Science, University of Manchester, Institute of Science and Technology.

Professor P. Haggett
Professor of Urban and Regional Geography, University of Bristol.

Professor M. B. Harris
Professor of Romance Linguistics, University of Salford.

Mr. R. S. Johnson CBE
Director of Education, Leeds City Council.

Professor D. S. Jones MBE FRS
Ivory Professor of Mathematics, University of Dundee.

Professor P. R. G. Layard
Professor of Economics, London School of Economics and Political Science.

Professor J. G. Morris
Professor of Microbiology, University College, Aberystwyth.

Professor R. Needham FRS
Professor of Computer Systems, University of Cambridge.

Mr. W. D. C. Semple
Director of Education, Lothian Regional Council.

Professor J. Sizer
Professor of Financial Management, University of Technology, Loughborough.

Mrs. T. Thomas OBE
Formerly Headmistress, Girls Comprehensive School, Aberdare, Mid-Glamorgan.

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what steps he takes when appointing the University Grants Committee to seek to ensure that its membership is representative of all British universities.

Mr. Walden: There are currently 11 university members of the University Grants Committee, which advises on

grants to 54 universities and colleges. Members of the committee are chosen by my right hon. Friend after consultation with the Secretaries of State for Northern Ireland, Wales and Scotland and having regard in particular to the need for the committee to be able to cover the main broad university subject areas. They are not appointed in a representative capacity, but because of the personal contribution they can make to the work of the committee.

Corporal Punishment

Mr. Chope asked the Secretary of State for Education and Science what assessment he makes of the correlation between the availability of caning as a sanction in schools and the conduct of pupils.

Mr. Chris Patten: In my view, this is an assessment which only a school itself can properly make.

Expenditure

Mr. Austin Mitchell asked the Secretary of State for Education and Science if he will publish in the *Official Report* his best estimate of the amount spent per head in the United Kingdom by private schools and colleges at each level of education.

Mr. Dunn: Information on which an estimate could be based is not available.

Secondary Schools

Mr. Pawsey asked the Secretary of State for Education and Science what percentage of secondary schools in the United Kingdom are grammar schools; and how this compares with 1979, 1970 and 1960.

Mr. Dunn: Grammar schools represented 3·9 per cent. of maintained secondary schools in England in January 1985. This compares with 5·4, 19·3 and 21·3 per cent. in 1979, 1970 and 1960 respectively. Statistics for schools in Wales, Scotland and Northern Ireland are the responsibility of the Secretaries of State for Wales, Scotland and Northern Ireland.

University of Wales

Mr. D. E. Thomas asked the Secretary of State for Education and Science (1) what effect the implementation of the University Grants Committee's financing recommendations are expected to have on the provision of Welsh-medium teaching in the University of Wales;

(2) what effect the financing recommendations of the University Grants Committee are expected to have on research in each of the colleges of the University of Wales if they are implemented;

(3) what he expects the effects will be in terms of jobs lost, in each of the constituent colleges of the University of Wales if the recommendations of the University Grants Committee are implemented.

Mr. Walden: The effect on the colleges of the University of Wales of the grant allocation for 1986-87 recently announced by the University Grants Committee will depend upon decisions by the colleges on the internal allocation of the resources available to them.

In allocating grant, the UGC took account for each university of research staff and student numbers, contract research income and income from research councils and charitable bodies and its judgment of research quality.

Provision for teaching and administration in the medium of Welsh was taken into account in the calculation of grant for the University College of Wales, Aberystwyth, and the University College of North Wales, Bangor.

Mr. D. E. Thomas asked the Secretary of State for Education and Science what the effects will be in terms of financing, compared with the previous quinquennium, on the colleges of the University of Wales of the implementation of the University Grants Committee's present recommendations.

Mr. Walden: The percentage changes in real terms in funding of the colleges of the University of Wales by the University Grants Committee over the period 1981-82 to 1986-87 is shown in the following table. The figures represent changes in the colleges' basic recurrent and equipment grant excluding those amounts representing compensation for redundancy and early retirement, provision for capital in recurrent expenditure and local authority rates, which are also reimbursed by the UGC.

Percentage funding changes in real terms

	1981-82 to 1982-83	*1982-83 to 1983-84*	*1983-84 to 1984-85*	*1984-85 to 1985-86*	*1985-86 to 1986-87*	*1981-82 to 1986-87*
University College of Wales, Aberystwyth	−3·4	−1·2	−1·5	+0·3	−3·9	−9·4
University College of North Wales, Bangor	−0·4	−0·5	−1·7	−1·2	−4·0	−7·5
University College, Cardiff	−2·3	−1·0	−2·1	−0·2	−4·2	−9·4
St. David's University College, Lampeter	0·0	+11·2	+0·6	−5·6	−2·0	+3·5
University College, Swansea	−3·7	−0·6	−1·1	+0·7	−3·4	−7·9
University of Wales Institute of Science and Technology	−1·1	−2·6	−5·7	0·0	−1·3	−8·3
University of Wales College of Medicine	−0·2	+3·3	−1·1	−1·1	−0·2	+0·7

University (Funding)

Mr. Radice asked the Secretary of State for Education and Science what has been the change in the funding of universities in real terms and taking account of fee compensation between 1980-81 and 1986-87.

Mr. Kenneth Baker: Between 1980-81 and 1986-87 academic years the universities' income from recurrent grant plus home student fees is estimated to have fallen by about 6 per cent. in real terms. This figure does not reflect the universities' true financial position because of the

growth in income from other sources, including the payment of higher fees by overseas students following the withdrawal of the overseas student subsidy.

Assisted Places Scheme

Mr. Nellist asked the Secretary of State for Education and Science if he will give, for each year for which statistics are available, and to the latest available date, such information that he has as to *(a)* the cost of the assisted places scheme, *(b)* the proportion of successful candidates who were already receiving their schooling in the independent section, or who had brothers and sisters receiving such education, *(c)* the average income of families who have used the assisted place scheme, and *(d)* what are the ages of transfer of the pupils who have moved from the state sector using the assisted places scheme.

Mr. Dunn: I will reply as soon as possible.

Teachers (Smoking)

Mr. Dobson asked the Secretary of State for Education and Science what is Her Majesty's Government's policy in relation to teachers smoking in classrooms.

Mr. Chris Patten: This is a matter for determination at local level, but I understand that most teachers refrain from smoking in the classroom.

School Examinations (Hampshire)

Mr. Hancock asked the Secretary of State for Education and Science (1) if he will give the number of children in Hampshire who have taken the certificate of secondary education examination in the last five years, indicating the subjects taken;

(2) if he will give the number of children who have taken O-levels in Hampshire and in what subjects; and how many have passed in the last five years;

(3) how many children, expressed as percentage of the total number leaving at 16 years, leave school at 16 *(a)* with no O-levels or certificate of secondary education, and *(b)* with no O-levels and certificate of secondary education grades 4 and below.

Mr. Dunn: I will reply to the hon. Member as soon as possible.

Universities (Part-time Courses)

Mr. Hancock asked the Secretary of State for Education and Science, how many representations he has received in the past 10 days with regard to part-time courses at universities; and if he will make a statement.

Mr. Walden: My right hon. Friend has received some two dozen representations about the allocation of funds in relation to part-time students at Birkbeck college. I understand that the University Grants Committee has agreed to review this aspect of its allocation arrangements in the light of points made when the committee visited London university on 11 June and of further information to be provided by Birkbeck college.

Teacher Training

Mr. Hancock asked the Secretary of State for Education and Science which cities have a college or similar institution running initial teacher training courses.

Mr. Chris Patten: Institutions currently providing initial teacher training are located in or close to the following cities and towns in England:

	Number
Ambleside	(1)
Bath	(2)
Bedford	(1)
Birmingham	(3)
Bognor/Chichester	(1)
Bradford/Ilkley	(1)
Brentwood/Chelmsford	(1)
Brighton	(2)
Bristol	(2)
Cambridge	(2)
Canterbury	(1)
Cheltenham	(1)
Chester	(1)
Crewe/Alsager	(1)
Derby	(1)
Durham	(1)
Egham	(1)
Exeter	(1)
Exmouth	(1)
Hull	(2)
Keele	(1)
Lancaster	(1)
Leeds	(3)
Leicester	(2)
Lincoln	(1)
Liverpool	(3)
Greater London	(12)
Loughborough	(1)
Greater Manchester	(2)
Newcastle	(2)
Northampton	(1)
Norwich	(1)
Nottingham	(2)
Ormskirk	(1)
Oxford	(3)
Plymouth	(1)
Portsmouth	(1)
Reading	(2)
Ripon/York	(1)
Scarborough	(1)
Sheffield	(2)
Southampton	(2)
Sunderland	(1)
Wakefield	(1)
Warwick	(1)
Watford	(1)
Winchester	(1)
Wolverhampton	(1)
Worcester	(1)
York	(1)

GCSE (Syllabuses)

Mr. Michael McNair-Wilson asked the Secretary of State for Education and Science if he will place a set of new General Certificate of Secondary Education syllabuses in the Library.

Mr. Chris Patten: The Department does not publish GCSE syllabuses. Each of the examining groups in England is responsible for the production of its own GCSE syllabuses. However, I am arranging for all available syllabuses to be placed in the Library as soon as possible. Further syllabuses will be added as they are approved.

NERC (Funding)

Mr. Donald Stewart asked the Secretary of State for Education and Science if he will list *(a)* the institutes, *(b)* the associations and *(c)* the research bodies within

universities which during 1985-86 are being funded, or part funded, by the Natural Environment Research Council; and if he will specify their location.

Mr. Walden: This information is as follows:

Institutions

i. British Geological Survey:
Keyworth, Nottingham, Edinburgh (2), London (2) Aberystwyth, Exeter, Belfast, Wallingford, Langholm, Bideford, Lerwick

ii. Institute of Oceanographic Sciences:
Bidston Observatory Birkenhead, Godalming

iii. Institute for Marine Environmental Research:
Plymouth

iv. Institute of Marine Biochemistry:
Aberdeen

v. Institute of Hydrology:
Wallingford

vi. Institute of Terrestrial Ecology:
Cambridge, Wareham, Grange-over-Sands, Huntingdon, Banchory, Penicuik, Edinburgh, Bangor (N. Wales)

vii. Institute of Virology:
Oxford

viii. British Antarctic Survey:
Cambridge

ix. Sea Mammal Research Unit:
Cambridge

x. Research Vessel Services:
Barry

xi. NERC Scientific Services:
Bidston Observatory Birkenhead, Swindon

Associations

i. Freshwater Biological Association:
Ambleside and Wareham

ii. Marine Biological Association:
Plymouth

iii. Scottish Marine Biological Association:
Oban

Research Bodies

i. Unit of Comparative Plant Ecology:
University of Sheffield

ii. Rocky Shore Biological Surveillance:
University of Newcastle Upon Tyne

iii. Research in the Bryophyte Field:
University of Reading

iv. Water Resources System Research Unit:
University of Newcastle Upon Tyne

v. Robert Hooke Institute:
University of Oxford

vi. NERC Unit of Thematic Information Systems:
University of Reading

vii. Social and Economic Responses to Climate Variability:
The Technical Change Centre, London

viii. Research in the Bryophyte Field:
University of East Anglia

The list at C does not include university departments or groups of researchers which receive support from the council in the form of research grants. These are too numerous to list.

ENERGY

New Power Stations

13. **Mr. Alton** asked the Secretary of State for Energy whether he is prepared to consider the introduction of the least cost resource principle to applications for building new power stations.

Mr. Goodlad: Minimum cost is already a key factor in the CEGB's decision to apply for my right hon. Friend's consent to construct particular power stations. My right hon. Friend will treat all such applications on their merits.

Nuclear Power

15. **Mr. Ron Davies** asked the Secretary of State for Energy if he has plans to meet his counterpart in the French Government to discuss nuclear power.

Mr. Peter Walker: I meet my French counterpart from time to time in a number of fora where nuclear matters form part of the discussions.

16. **Dr. McDonald** asked the Secretary of State for Energy if he is discussing with Euratom the granting of access to Great Britain's nuclear power stations.

Mr. Goodlad: Euratom safeguards inspectors have access to the United Kingdom's civil nuclear power stations to carry out their duties under the Euratom treaty to which the United Kingdom acceded on 1 January 1973.

New Power Stations

18. **Mr. Roy Hughes** asked the Secretary of State for Energy when he last met the chairman of the Central Electricity Generating Board to discuss the ordering of new coal-fired power stations.

Mr. Goodlad: My right hon. Friend meets the chairman from time to time and they discuss a wide range of issues. The CEGB has stated that it does not intend to order any more stations, either coal-fired or nuclear, until it receives my right hon. Friend's decision on its application to construct a PWR station at Sizewell.

34. **Mr. Frank Cook** asked the Secretary of State for Energy what steps he is taking to introduce a policy of total openness into the nuclear power industry.

Mr. Goodlad: The nuclear industry is already very open, and I am encouraging the maximum possible openness especially with regard to incidents with implications for the safety of the public or the work force.

Magnox Power Stations

19. **Mr. Simon Hughes** asked the Secretary of State for Energy what is the expected timetable of the phasing out of the older Magnox power stations; and when he expects their decommissioning.

Mr. Goodlad: I am advised by the operators that the Magnox power stations continue to meet stringent safety standards. No firm plans for the closure or decommissioning of any stations have yet been made.

38. **Mr. Orme** asked the Secretary of State for Energy whether any safety reviews of Magnox power stations have been completed; and if he will make a statement.

Mr. Peter Walker: Her Majesty's nuclear installations inspectorate makes it a condition of nuclear site licences that all reactors must be shut down every two years for maintenance and inspection. A reactor is not permitted to start up again until the NII is satisfied that it is safe for it to do so. In addition, the inspectorate requires licensees to carry out a general safety review of Magnox power station following 20 years of operation to enable longer term safety issues to be addressed.

The NII completed work in March 1983 on its assessment of BNFL's long term safety reviews for Calder Hall and Chapel Cross with the exception of a few issues which require further assessment and discussion.

Combined Heat and Power

20. **Mr. Barron** asked the Secretary of State for Energy what progress has been made on the lead city schemes for combined heat and power; and if he will make a statement.

Mr. David Hunt: I refer to the answer I gave today to my hon. Friend the Member for Glanford and Scunthorpe (Mr. Hickmet).

43. **Mr. Peter Brüinvels** asked the Secretary of State for Energy if he will estimate the jobs created and money to be saved in the first five years of combined heat and power in *(a)* Leicester, *(b)* Newcastle and *(c)* Edinburgh.

Mr. David Hunt: Estimates in Energy Paper No. 53 indicate that additional local employment of some 3,000 jobs might result over a 12 to 15 year period from installing the heat distribution systems and consumer connections in all nine cities studied. Leicester would account for approximately 175 extra jobs with some 300 extra jobs in both Newcastle and Edinburgh over the same timescale. Other employment would arise from the construction of new CHP plant and heat only boiler plant. A more precise estimate of employment prospects arising from CHP/DH schemes must await the outcome of the studies presently under way in those cities.

Energy Paper No. 53 estimated the overall rates of return for each of the nine cities studied on an assumed 35-year life for all schemes. During the first five years of a CHP/DH development the cumulative cash flow may be negative as expenditure on plant and construction is likely to exceed income from sales. Again, more precise estimates must await the outcome of current studies.

Energy Efficiency

21. **Mr. Watts** asked the Secretary of State for Energy if he will estimate the potential savings in energy which can be obtained from improving the energy efficiency of commercial and industrial buildings; and if he will make a statement.

Mr. David Hunt: As I said in reply to my hon. Friend the Member for Nuneaton (Mr. Stevens) today, improved energy efficiency in industrial and commercial buildings alone could save £800 million a year. Office buildings with poor energy efficiency are using four times as much fuel as similar well-managed buildings. It is essential that we put an end to this scandalous waste.

Oil Production

22. **Mr. Wainwright** asked the Secretary of State for Energy what has been the value of United Kingdom oil production for each of the first four months of 1986.

Mr. Peter Walker: This information is available only on a quarterly basis. The provisional figure for the first quarter of 1986 is £3·6 billion.

41. **Mr. Eastham** asked the Secretary of State for Energy if the fall in oil prices has affected production in the North sea.

Mr. Buchanan-Smith: The fall in oil prices has not had any measurable effect on oil production in the North sea. Even at today's level the price is still substantially above the ongoing costs incurred in producing oil from existing fields. The latest forecast of oil production was given in the Secretary of State's recent report to Parliament on the development of the oil and gas resources of the United Kingdom 1986, published on 29 April.

47. **Mr. Kennedy** asked the Secretary of State for Energy if he will make a statement on the effects of lower oil prices on North sea oil production.

Mr. Buchanan-Smith: I refer the hon. Member to the reply I have today given to the hon. Member for Manchester, Blackley (Mr. Eastham).

Electricity Supply (Fuel Costs)

23. **Mr. Favell** asked the Secretary of State for Energy what is the saving to date to the electricity supply industry in fuel costs arising from the recent fall in the cost of oil.

Mr. Goodlad: The cost of fuel used in the first two months of the present financial year is estimated by the CEGB at about £60 million less than envisaged when the bulk supply tariff for the year was drawn up.

Energy Costs

24. **Mr. Phillip Oppenheim** asked the Secretary of State for Energy what consideration he is giving to the impact of the level of energy costs borne by industry in the United Kingdom, compared with those of other Organisation for Economic Cooperation and Development countries in the past 12 months.

Mr. Peter Walker: I refer my hon. Friend to the answer which I gave to him on this subject on 14 April this year at column 260. Energy prices in this country, as elsewhere, have continued to fall in response to world market conditions. For example, the recent conclusion of a commercial agreement with the coal industry has allowed the electricity supply industry to announce immediate reductions in electricity prices to monthly-billed industrial consumers of about 5 per cent., and of about 7 to 8 per cent. for larger consumers with load management arrangements. There have also been downward movements in gas prices to industry, reflecting competitive pressures from oil products.

Gas and Electricity (Standing Charges)

25. **Mr. Alex Carlile** asked the Secretary of State for Energy what representations he has received in the current year for the reform or abolition of standing charges on fuel bills.

Mr. Peter Walker: I have received some representations this year on these issues, which are matters for the industries concerned. This and previous Governments, the industries' consumers' councils and the Council of the European Communities have shared the view that standing charges are the fairest and most appropriate way of recovering the fixed costs of supply. Standing charges for gas have decreased by 10 per cent. since 1982, a fall of around 24 per cent. in real terms; and those for electricity have risen by only 8 per cent. over that period, a fall of around 10 per cent. in real terms.

Oil-fired Power Stations

26. **Mr. Stephen Ross** asked the Secretary of State for Energy what increase in fuel consumption has occurred in oil-fired power stations in the past three months.

Mr. Goodlad: Figures for fuel used in the generation of electricity over the past three months will appear in future editions of "Energy Trends', which is published monthly.

Plutonium

27. **Mr. Corbyn** asked the Secretary of State for Energy whether he has any plans to meet the chairman of the Central Electricity Generating Board to discuss the transfer of electricity board plutonium to the military stockpile.

Mr. Goodlad: No.

Sizewell

28. **Mr. Portillo** asked the Secretary of State for Energy what representations he has received requesting a delay in the eventual consideration of the report from the inspector considering the Central Electricity Generating Board's application for a pressurised water reactor at Sizewell, pending a full analysis of the implications of the Chernobyl disaster.

Mr. Goodlad: My right hon. Friend has received many and varied representations since the Chernobyl incident.

Neighbourhood Energy Action

29. **Mr. Gregory** asked the Secretary of State for Energy what assistance his Department is giving to neighbourhood energy action; and if he will make a statement.

Mr. David Hunt: My Department's grant to neighbourhood energy action for 1986-87 is £275,000. This compares with a grant of £186,764 in 1985-86. The increase is to enable NEA to expand the services that it provides to the voluntary insulation projects. The number of projects has increased from 114 in March last year to over 260 in May this year, and is expected to increase further to about 400 by the end of this year. NEA provides management advice, information and training to the projects. I regard NEA's services as a major contribution to the success achieved by the projects in insulating over 170,000 low-income households to date.

Coal Industry

30. **Mr. Andy Stewart** asked the Secretary of State for Energy if he will give the productivity figures, expressed in output per manshift, for the coal industry in 1979 and at the latest available date.

46. **Mr. Maclean** asked the Secretary of State for Energy if he will make a statement on the latest productivity figures in the coal industry.

Mr. David Hunt: Overall deep-mined revenue output per man shift for the week ending 24 May was 3·16 tonnes. This compares with average deep-mined revenue output per man shift in the financial year 1979-80 of 2·31 tonnes.

33. **Mr. Bellingham** asked the Secretary of State for Energy what has been the total value of grants made by the Government to the coal industry since 1979.

36. **Mr. Wood** asked the Secretary of State for Energy if he will make a statement on the extent of Government financial support for the coal industry.

44. **Mr. Ashby** asked the Secretary of State for Energy what was the extent of the Government's support for the coal industry in 1985-86.

Mr. Peter Walker: The total amount of deficit grant—including operating grant—and social grant accruing to British Coal in the financial years 1979-80 to 1984-85 is £5,162 million. In addition, payments under the Redundant Mineworkers' Payments Scheme during the period total £555 million. Provisional figures for 1985-86 are as follows:

	£ million
Deficit Grant	50
Social Grant	508
RMPS	567

Coal Prices

31. **Mr. Cunliffe** asked the Secretary of State for Energy when he last met the chairman of the National Coal Board to discuss coal prices.

Mr. David Hunt: My right hon. Friend and I meet the chairman of British Coal at regular intervals to discuss all aspects of the industry, including coal prices.

Monergy

32. **Mr. Burt** asked the Secretary of State for Energy how many information packs on Monergy have been issued by his Department; and if he will make a statement.

Mr. David Hunt: Over 140,000 information packs on Monergy have been issued by my Department so far during Energy Efficiency Year. In addition, some 2 million domestic and 400,000 industry publications have been distributed at seminars, exhibitions or sent out to meet requests from the public and industry.

Power Stations (Coal)

35. **Mr. Geraint Howells** asked the Secretary of State for Energy whether he will consider sponsoring additional research into improving the efficiency and environmental acceptability of coal as power station fuel.

Mr. David Hunt: The nationalised energy industries are already spending more than £40 million per year on research and development on clean use of coal in power generation. We believe this is the right level of effort.

Oil Prices

37. **Mr. Litherland** asked the Secretary of State for Energy what discussions he is having with the Norwegian Government on oil prices.

Mr. Buchanan-Smith: None.

British Coal

39. **Mr. Dormand** asked the Secretary of State for Energy what discussions he has had with the chairman of British Coal concerning the results of the boring explorations off the north-east coast.

Mr. David Hunt: The chairman of British Coal has kept me informed about the boring explorations off the north-east coast, and I expect to discuss the results with him from time to time as the board's plans develop.

45. **Mr. Spencer** asked the Secretary of State for Energy when he last met the chairman of British Coal; and what matters were discussed.

Mr. Peter Walker: I meet the chairman of British Coal at regular intervals to discuss a wide variety of issues concerning the coal industry.

National Coal Board (Enterprise) Ltd.

40. **Mr. Alan Howarth** asked the Secretary of State for Energy if he will make a statement on the progress made by the National Coal Board (Enterprise) Ltd.

Mr. David Hunt: I am very impressed by the progress being made by NCB (Enterprise) Ltd. Since its formation in October 1984 up to the end of May 1986 the company had contributed to a total of 7,200 job opportunities. A total of £11·4 million of NCB (Enterprise) funds has been committed, generating a total investment of £70 million. NCB (Enterprise) Ltd's target for 1986-87 is to double its activities nationally by helping in the creation of 10,000 new job opportunities.

49. **Mr. Clwyd** asked the Secretary of State for Energy when the National Coal Board (Enterprise) Ltd. intends to produce its corporate plan.

Mr. David Hunt: The company's annual review was published on 5 June. I have placed a copy in the Library of the House.

Chernobyl Incident

42. **Mr. Neil Thorne** asked the Secretary of State for Energy if he proposes to seek any detailed information from the Government of the Union of Soviet Socialist Republics on the role of the civil protection authorities in the Chernobyl disaster; and if he will make a statement.

Mr. Peter Walker: All the members of the IAEA, including the United Kingdom, have indicated their interest in having the fullest possible account of the origins and handling of the Chernobyl accident. The USSR has expressed its willingness to provide, as soon as it is available, information on the incident, to be discussed at a meeting of nuclear safety experts to be held under the aegis of the IAEA.

British Gas

48. **Mr. Bruce** asked the Secretary of State for Energy when the prospectus for the privatisation of British Gas will be published.

Mr. Buchanan-Smith: The prospectus will be published shortly before the application list for shares in British Gas is opened.

Geothermal Project (Cornwall)

50. **Mr. Penhaligon** asked the Secretary of State for Energy if he will make a statement on the future of Cornwall's geothermal project.

Mr. David Hunt: The project being carried out by the Camborne School of Mines at Rosemanowes quarry in Cornwall has been extended for a further two years starting in October 1986 at a cost of £5·85 million and will include work on the existing hot dry rock reservoir, measurement techniques, geophysics and heat flow. Other related work will cost a further £1 million.

Alternative Energy

51. **Mr. Speller** asked the Secretary of State for Energy if he will list Government expenditure on alternative energy over the past five years compared with the previous five years; and if he will make a statement on Government policy and expenditure plans for alternative energy.

Mr. David Hunt: The Government have invested more than £81 million in R and D into renewable energy sources since 1979, and we have just announced fresh funding of £6·85 million for the hot dry rocks project based in Cornwall. Among other projects we are also funding development of the world's largest and most advanced aerogenerator, at Burgar Hill, Orkney.

This clearly shows the Government's determination to develop and promote all the economic renewable energy technologies which have the potential to contribute to United Kingdom energy supply.

Government expenditure on this programme was £14 million in 1984-85, and this strong support for renewable R and D will continue. We will also continue to encourage an increasing contribution from the private industry.

Details of expenditure over the past 10 years, comparing the past five years with the previous five years, are as follows:

	£ million
1980-81	11·2
1981-82	17·3
1982-83	14·2
1983-84	11·3
1984-85	14·0
Total	68·0

	£ million
1975-76	*0·5
1976-77	*1·0
1977-78	*2·5
1978-79	3·6
1979-80	8·2
Total	15·8

* includes energy conservation research and development.

ENVIRONMENT

Town and Country Planning Use Classes Order

Mr. Macfarlane asked the Secretary of State for the Environment when he expects to complete his consultation round with appropriate authorities over the Town and Country Planning Use Classes Order; and if he will make a statement.

Mr. Tracey [*pursuant to his reply*, 15 April, 1986, c. *337*]: We are grateful to all those who commented on the proposals for the revision of the order which were made by the sub-group of the Property Advisory Group. We are publishing today a consultation paper which sets out our own proposals for the modernisation of the order, it takes full account of all the views expressed to us.

Modernising the order will reduce the need for planning applications, but retain effective control over changes of use where that is needed, because of their environmental consequences or relationship with other uses.

The major changes by which we propose to modernise the order will allow more flexible use of business premises. For example, they would create a new business class by merging the present light industrial use class with office uses other than those which provide professional and financial services to customers who visit the premises; this will help commercial and industrial activities which at present straddle the boundary between two classes. In addition we propose to amend the Housing and Planning Bill to make it clear that sub-division of non-domestic premises does not constitute a change of use and does not require planning permission. These changes will give greater freedom to industry to undertake development and create jobs without endangering amenity.

We consider that we should keep the existing shops class and add to it certain similar uses which are at present excluded. We propose, however, to create two new classes, one would consist of shops selling hot food, restaurants, snack bars, cafes, public houses and similar establishments; the other would be for financial and professional services offered direct to the public visiting the premises. We propose to amend the General Development Order, to make it possible to shift use from either of these two new classes to the expanded shops class without getting specific planning permission. But permission would still be needed for shifting use in the other direction. This would enable local planning authorities to continue to protect the character of existing shopping areas.

We have already clarified the quite wide circumstances in which under the present law people can work at home without any need to seek specific planning permission from the local planning authority. Guidance on this is given in our publication "A Step by Step Guide to Planning Permission for Small Businesses" published in March this year. We do not propose to make any amendment to the use classes order on this point.

Full details of the proposals to modernise the order are in the consultation paper published today. Copies have been placed in the Library. Copies are also being sent today to the local authority associations and other interested bodies with the request that they should send to the Department by 15 September any comments which they may have on the proposals.

Home Insulation Grants

76. **Mr. Speller** asked the Secretary of State for the Environment what has been the demand for home insulation grant schemes in the current year; and if he will make a statement on the future of the scheme.

Sir George Young: The available information on the number of homes insulation scheme grants paid so far in the current year is for the first quarter of 1986, is provisional, and will be published in July in "Housing and Construction Statistics," part 2, no. 25. Copies of the publication will be available in the Library.

The scheme is kept under continuing review, but there are no plans at present to change it.

Gases (Climatic Change)

77. **Mr. Ottaway** asked the Secretary of State for the Environment by how much have the Government increased their spending in response to the recommendations of the joint UNEP/WMO/ICSU conference, convened in Villach, Austria, in October 1985, to assess the role of carbon dioxide and other greenhouse gases in climatic changes, that governments and funding agencies should increase research support and focus efforts on crucial unsolved problems related to greenhouse gases and climate change; and what changes in Her Majesty's Government's policy has occurred in consequence of the conclusions and recommendations of the conference.

Mrs. Rumbold: The main United Kingdom centre of expertise on the problem of effects of greenhouse gases on climate is the Meteorological Office, which has paid increasing attention to it in recent years. Research on these subjects formed a part of the office's total programme of £7·7 million in 1984-85, but cannot be costed separately. The office is participating actively in the world climate research programme and other relevant international activities.

My Department keeps in close touch with scientific opinion on the problem of greenhouse gases and climate change, and policy is subject to constant review.

The stratospheric ozone review group established by my Department is expected to report on the problem early next year.

Agricultural Land (Development)

Mr. Nicholas Baker asked the Secretary of State for the Environment how many acres of agricultural land have been lost to development during the most recent year for which records are available; and what percentage of those acres lie south of the line between the centres of Bristol and London.

Mrs. Rumbold: Estimates of land transferred from agriculture to development are currently based on the MAFF agricultural census and are considered to be reliable as a five year average. The most recent estimate for the period from mid-1980 to mid-1985 for England is that about 4,400 hectares, equivalent to about 11,000 acres, was transferred from agriculture annually. No reliable estimate is possible for smaller areas.

A new source of information on changes in land use has been developed, using information recorded by the Ordnance Survey in the course of map revision on the new and previous use of land. Returns for 1985 are currently

being analysed, and statistics based on them are expected to be published shortly. I will write to my right hon. Friend further when this material is available.

Local Authorities (Land)

Mr. Nicholas Baker asked the Secretary of State for the Environment if he will introduce legislation providing a right of appeal against any grant of planning permission by local authorities over land they own.

Mrs. Rumbold: No. We consider that the present arrangements for decisions on this type of development proposal operate satisfactorily.

Homeless Families

Mr. Wainwright asked the Secretary of State for the Environment how many homeless families were recorded in each of the district authorities in West Yorkshire for each quarter since 1983.

Sir George Young: Information on homelessness in each local authority is published regularly in Local Housing Statistics, copies of which are available in the Library. For 1983 and 1984 the figures published are half yearly and for 1985 they are quarterly.

Nuclear Waste

Mr. Alton asked the Secretary of State for the Environment whether, following the recent visit to the military nuclear facility at Barnwell in South Carolina by the Minister of State, the hon. Member for Bristol, West (Mr. Waldegrave) he will publish a comparative table of the volumes of low-level nuclear waste handled at Barnwell and at Drigg, and the access available at each site for low-level nuclear waste disposal.

Mr. Waldegrave: British Nuclear Fuels accepts low-level radioactive waste for disposal at Drigg from its own establishments, nuclear power stations and premises such as hospitals, universities and non-nuclear industry. The volumes of waste disposed of are published in BNFL's annual report of radioactive discharges and monitoring of the environment. In 1984, 33,149 cubic metres were deposited at the site. The Barnwell waste disposal site accepts approximately 28,000 cubic metres of low-level radioactive waste per year from sources in the South East of the United States. It is not a military site, but is operated by Chem Nuclear Systems Inc, under licences named by the state of South Carolina.

Radiation

Mr. Robert Banks asked the Secretary of State for the Environment what is his estimate of the number of radiation detectors available in the United Kingdom.

Mrs. Rumbold: About 7,000.

Mr. Robert Banks asked the Secretary of State for the Environment what steps he will take to ensure comprehensive advice is available to the population on what to do if the level of radiation rises above an acceptable level.

Mrs. Rumbold: Notification to members of the public immediately affected by an accident at a United Kingdom nuclear site would be made by the police under the arrangements described in the booklet "Emergency Plans for Civil Nuclear Installations", a copy of which is in the Library of the House. In the event of the levels of radiation giving cause for concern over a wide area an announcement would be made as soon as possible via the media and a press, radio and television briefing centre would be set up to provide advice for the public.

Mr. Robert Banks asked the Secretary of State for the Environment what was the maximum level of radiation measured in the United Kingdom, and its location, in the aftermath of the Chernobyl disaster.

Mrs. Rumbold: I refer my hon. Friend to the answer which I gave to a question by the hon. Member for Isle of Wight (Mr. Ross) on 9 May at column *304*.

Council of Ministers

Mr. Forman asked the Secretary of State for the Environment if he will make a statement on the outcome of the Council of Environment Ministers' meeting on 12 June.

Mr. Waldegrave: I represented the United Kingdom at this meeting. I was accompanied by my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold) Parliamentary Under-Secretary of State for the Environment and my hon. Friend the Member for Putney (Mr. Mellor), Parliamentary Under-Secretary of State for the Home Department.

The Council agreed amendments to the major accident hazards directive (82/501/EEC) and to the decision (77/795/EEC) for a Community water information system, and reached general agreement on all the main points arising from a proposal for a directive on animal experimentation. The Council also discussed the sulphur content of gas oil, waste oils, and emissions from large combustion plants. The Commission briefly outlined its forthcoming proposals for diesel particulates and heavy vehicles.

The Council discussed the accident at the nuclear plant at Chernobyl and expressed its concern for all those affected. It concluded that there was a need for improved international communication and co-operation in relation to all aspects of civil nuclear power.

Refuse Disposal

Mr. Robin Cook asked the Secretary of State for the Environment if he will publish in the *Official Report* a table showing by local authority and for all England *(a)* the number of people employed in refuse collection in 1979-80 and the most recent available year and *(b)* the number of people employed in street cleansing in 1979-80 and the most recent available year.

Mrs. Rumbold: Numbers of staff employed by English local authorities on refuse collection and disposal are given below. Information for individual authorities could only be given at disproportionate cost. Information concerning numbers of staff employed in street cleansing is not available centrally.

Local authority staff employed in refuse collection and disposal (England)

	June 1979	June 1985
Full-time	47,602	37,800
Part-time	208	220
Total Numbers (FT and PT)	47,810	38,020
Full-time Equivalent	47,722	37,898

Mr. Robin Cook asked the Secretary of State for the Environment if he will publish in the *Official Report* a table showing by local authority and for all England *(a)* the most recent and penultimate grant-related expenditure assessment for refuse collection and the percentage change and *(b)* the most recent and penultimate grant-related expenditure assessment for street cleansing and the percentage change.

Mrs. Rumbold: Grant-related expenditure assessments for refuse collection in 1985-86 and 1986-87 are shown in the table. There is no separate assessment for street cleansing, which, for grant related expenditure purposes, is treated as part of environmental health.

Refuse Collection—Grant-related Expenditure

Authority	1985-86 £ million	1986-87 £ million	Change per cent.
GREATER LONDON			
City of London	2·049	2·035	−0·6
Camden	3·300	3·110	−5·8
Greenwich	2·312	2·170	−6·2
Hackney	2·708	2·351	−13·2
Hammersmith and Fulham	2·398	2·157	−10·1
Islington	2·727	2·451	−10·1
Kensington and Chelsea	2·506	2·447	−2·4
Lambeth	3·584	3·228	−9·9
Lewisham	2·634	2·454	−6·8
Southwark	3·370	3·102	−8·0
Tower Hamlets	2·142	1·954	−8·8
Wandsworth	3·275	2·939	−10·2
Westminster	5·653	5·490	−2·9
Barking and Dagenham	1·700	1·569	−7·7
Barnet	2·778	2·598	−6·5
Bexley	1·968	1·829	−7·1
Brent	2·900	2·567	−11·5
Bromley	2·641	2·525	−4·4
Croydon	3·285	3·015	−8·2
Ealing	3·008	2·727	−9·4
Enfield	2·602	2·392	−8·1
Haringey	2·392	2·150	−10·1
Harrow	1·890	1·737	−8·1
Havering	1·987	1·863	−6·2
Hillingdon	2·270	2·159	−4·9
Hounslow	2·243	2·118	−5·6
Kingston-upon-Thames	1·437	1·354	−5·8
Merton	1·770	1·652	−6·7
Newham	2·642	2·279	−13·7
Redbridge	2·174	1·985	−8·7
Richmond-upon-Thames	1·651	1·588	−3·8
Sutton	1·682	1·557	−7·4
Waltham Forest	2·336	2·114	−9·5
GREATER MANCHESTER			
Bolton	2·243	2·141	−4·5
Bury	1·378	1·335	−3·1
Manchester	5·048	4·748	−5·9
Oldham	1·982	1·887	−4·8
Rochdale	1·671	1·616	−3·3
Salford	2·263	2·138	−5·5
Stockport	2·433	2·316	−4·8
Tameside	1·814	1·733	−4·5
Trafford	1·986	1·883	−5·2
Wigan	2·429	2·337	−3·8
MERSEYSIDE			
Knowsley	1·394	1·284	−7·9
Liverpool	5·383	4·944	−8·2
St. Helens	1·520	1·447	−4·8
Sefton	2·400	2·254	−6·1
Wirral	2·866	2·706	−5·6
South Yorkshire			
Barnsley	1·777	1·733	−2·4
Doncaster	2·284	2·244	−1·8
Rotherham	1·949	1·907	−2·2
Sheffield	5·168	4·910	−5·0
Tyne and Wear			
Gateshead	1·912	1·831	−4·2
Newcastle upon Tyne	3·070	2·928	−4·6
North Tyneside	1·781	1·716	−3·7
South Tyneside	1·466	1·381	−5·8
Sunderland	2·601	2·462	−5·4
West Midlands			
Birmingham	10·030	9·288	−7·4
Coventry	2·974	2·779	−6·6
Dudley	2·544	2·414	−5·1
Sandwell	2·921	2·730	−6·5
Solihull	1·558	1·469	−5·7
Walsall	2·228	2·103	−5·6
Wolverhampton	2·401	2·240	−6·7
West Yorkshire			
Bradford	3·987	3·791	−4·9
Calderdale	1·635	1·598	−2·3
Kirklees	3·079	3·010	−2·2
Leeds	6·342	6·112	−3·6
Wakefield	2·515	2·473	−1·7
Avon			
Bath	0·826	0·790	−4·4
Bristol	4·018	3·757	−6·5
Kingswood	0·672	0·621	−7·7
Northavon	0·954	0·924	−3·2
Wansdyke	0·563	0·548	−2·6
Woodspring	1·295	1·272	−1·8
Bedfordshire			
North Bedfordshire	1·124	1·075	−4·4
Luton	1·525	1·403	−8·0
Mid Bedfordshire	0·709	0·705	−0·5
South Bedfordshire	0·835	0·800	−4·3
Berkshire			
Bracknell	0·740	0·707	−4·4
Newbury	0·928	0·919	−1·0
Reading	1·319	1·228	−6·9
Slough	0·974	0·900	−7·6
Windsor and Maidenhead	1·085	1·046	−3·6
Wokingham	0·808	0·817	1·1
Buckinghamshire			
Aylesbury Vale	1·040	1·007	−3·1
South Bucks	0·466	0·462	−0·8
Chiltern	0·641	0·624	−2·5
Milton Keynes	1·153	1·166	1·2
Wycombe	1·182	1·138	−3·7
Cambridgeshire			
Cambridge	0·985	0·943	−4·3
East Cambridgeshire	0·429	0·419	−2·2
Fenland	0·568	0·555	−2·4
Huntingdon	0·969	0·954	−1·5
Peterborough	1·266	1·240	−2·0
South Cambridgeshire	0·772	0·764	−1·1
Cheshire			
Chester	1·024	0·987	−3·6

Authority	1985-86 £ million	1986-87 £ million	Change per cent.
Congleton	0·608	0·602	−1·0
Crewe and Nantwich	0·881	0·849	−3·6
Ellesmere Port and Neston	0·727	0·688	−5·3
Halton	1·023	0·977	−4·4
Macclesfield	1·208	1·175	−2·7
Vale Royal	0·860	0·844	−1·9
Warrington	1·465	1·432	−2·2
Cleveland			
Hartlepool	0·853	0·789	−7·5
Langbaurgh	1·215	1·180	−2·9
Middlesbrough	1·383	1·263	−8·7
Stockton-on-Tees	1·501	1·432	−4·6
Cornwall			
Caradon	0·581	0·570	−1·9
Carrick	0·704	0·693	−1·6
Kerrier	0·687	0·679	−1·1
North Cornwall	0·637	0·607	−4·8
Penwith	0·513	0·509	−0·8
Restormel	0·654	0·646	−1·2
Cumbria			
Allerdale	0·850	0·802	−5·7
Barrow in Furness	0·651	0·628	−3·5
Carlisle	0·962	0·898	−6·6
Copeland	0·607	0·578	−4·7
Eden	0·500	0·430	−14·1
South Lakeland	0·897	0·847	−5·6
Derbyshire			
Amber Valley	0·886	0·872	−1·7
Bolsover	0·523	0·519	−0·8
Chesterfield	0·895	0·875	−2·2
Derby	2·055	1·965	−4·4
Erewash	0·814	0·796	−2·2
High Peak	0·644	0·625	−3·0
North East Derbyshire	0·674	0·663	−1·7
South Derbyshire	0·487	0·478	−1·8
West Derbyshire	0·556	0·537	−3·4
Devon			
East Devon	0·978	0·958	−2·0
Exeter	0·924	0·878	−5·1
North Devon	0·686	0·654	−4·6
Plymouth	2·173	2·012	−7·4
South Hams	0·637	0·619	−2·9
Teignbridge	0·811	0·801	−1·2
Mid Devon	0·484	0·460	−4·9
Torbay	1·003	0·985	−1·9
Torridge	0·454	0·425	−6·3
West Devon	0·399	0·363	−8·9
Dorset			
Bournemouth	1·406	1·354	−3·7
Christchurch	0·387	0·388	0·4
North Dorset	0·405	0·390	−3·6
Poole	1·119	1·106	−1·2
Purbeck	0·335	0·329	−2·0
West Dorset	0·745	0·718	−3·5
Weymouth and Portland	0·459	0·446	−3·0
Wimborne	0·556	0·562	1·0
Durham			
Chester-le-Street	0·378	0·371	−2·0
Darlington	0·946	0·893	−5·6
Derwentside	0·693	0·675	−2·6
Durham	0·703	0·685	−2·5
Easington	0·818	0·801	−2·0
Sedgefield	0·730	0·709	−2·9
Teesdale	0·246	0·218	−11·5
Wear Valley	0·547	0526	−3·9
East Sussex			
Brighton	1·624	1·532	−5·7
Eastbourne	0·775	0·759	−2·0
Hastings	0·756	0·732	−3·1
Hove	0·992	0·943	−5·0
Lewes	0·675	0·671	−0·5
Rother	0·718	0·708	−1·5
Wealden	0·933	0·921	−1·4
Essex			
Basildon	1·257	1·222	−2·8
Braintree	0·870	0·855	−1·8
Brentwood	0·549	0·534	−2·8
Castle Point	0·654	0·613	−6·2
Chelmsford	1·138	1·116	−2·0
Colchester	1·110	1·087	−2·1
Epping Forest	0·902	0·876	−2·8
Harlow	0·714	0·655	−8·3
Maldon	0·373	0·369	−1·0
Rochford	0·539	0·521	−3·4
Southend-on-Sea	1·542	1·465	−5·0
Tendring	1·058	1·053	−0·5
Thurrock	0·989	0·962	−2·7
Uttlesford	0·455	0·444	−2·6
Gloucestershire			
Cheltenham	0·853	0·825	−3·3
Cotswold	0·612	0·581	−5·1
Forest of Dean	0·543	0·532	−2·0
Gloucester	0·847	0·796	−6·0
Stroud	0·787	0·779	−1·0
Tewkesbury	0·630	0·625	−0·8
Hampshire			
Basingstoke and Deane	1·075	1·030	−4·2
East Hampshire	0·664	0·661	−0·5
Eastleigh	0·747	0·740	−1·0
Foreham	0·679	0·669	−1·4
Gosport	0·671	0·638	−5·0
Hart	0·482	0·470	−2·5
Havant	0·915	0·879	−3·9
New Forest	1·226	1·218	−0·6
Portsmouth	2·002	1·806	−9·8
Rushmoor	0·622	0·569	−8·6
Southampton	2·047	1·898	−7·3
Test Valley	0·691	0·675	−2·4
Winchester	0·734	0·717	−2·3
Hereford and Worcester			
Bromsgrove	0·584	0·574	−1·6
Hereford	0·444	0·431	−2·8
Leominster	0·341	0·315	−7·7
Malvern Hills	0·674	0·651	−3·4
Redditch	0·561	0·550	−2·0
South Herefordshire	0·388	0·362	−6·7
Worcester	0·708	0·682	−3·7
Wychavon	0·737	0·722	−2·0
Wyre Forest	0·757	0·729	−3·7
Hertfordshire			
Broxbourne	0·640	0·613	−4·2
Dacorum	1·103	1·049	−4·9
East Hertfordshire	0·857	0·837	−2·4
Hertsmere	0·725	0·694	−4·3
North Hertfordshire	0·863	0·840	−2·7
St. Albans	0·983	0·945	−3·9
Stevenage	0·649	0·602	−7·1
Three Rivers	0·579	0·554	−4·3
Watford	0·775	0·712	−8·2
Welwyn Hatfield	0·796	0·771	−3·2
Humberside			
Beverley	0·829	0·807	−2·6
Boothferry	0·506	0·479	−5·2
Cleethorpes	0·561	0·524	−6·6
Glanford	0·517	0·501	−3·2
Great Grimsby	0·910	0·844	−7·3
Holderness	0·377	0·362	−4·0
Kingston upon Hull	2·687	2·512	−6·5

Authority	1985-86 £ million	1986-87 £ million	Change per cent.
East Yorkshire	0·683	0·650	−4·8
Scunthorpe	0·626	0·593	−5·3
Isle of Wight			
Medina	0·615	0·608	−1·1
South Wight	0·423	0·420	−·5
Kent			
Ashford	0·752	0·719	−4·4
Canterbury	1·017	1·006	−1·1
Dartford	0·651	0·621	−4·6
Dover	0·888	0·861	−3·0
Gillingham	0·769	0·708	−7·9
Gravesham	0·754	0·702	−6·9
Maidstone	1·049	1.010	−3·7
Rochester upon Medway	1·268	1·190	−6·2
Sevenoaks	0·807	0·787	−2·5
Shepway	0·797	0·779	−2·3
Swale	0·900	0·886	−1·7
Thanet	1·111	1·070	−3·6
Tonbridge and Malling	0·745	0·737	−1·2
Tunbridge Wells	0·794	0·772	−2·8
Lancashire			
Blackburn	1·303	1·239	−5·6
Blackpool	1·431	1·310	−8·5
Burnley	0·888	0·843	−5·1
Chorley	0·676	0·668	−1·2
Fylde	0·624	0·614	−1·6
Hyndburn	0·671	0·643	−4·2
Lancaster	1·092	1·036	−5·1
Pendle	0·760	0·735	−3·3
Preston	1·268	1·206	−4·9
Ribble Valley	0·398	0·377	−5·3
Rossendale	0·502	0·498	−0·7
South Ribble	0·755	0·735	−2·6
West Lancashire	0·798	0·775	−3·0
Wyre	0·834	0·804	−3·6
Leicestershire			
Blaby	0·546	0·536	−2·0
Charnwood	1·033	1·024	−0·8
Harborough	0·461	0·443	−3·9
Hinckley and Bosworth	0·668	0·680	−1·1
Leicester	2·922	2·716	−7·1
Melton	0·349	0·333	−4·6
North West Leicestershire	0·619	0·610	−1·5
Oadby and Wigston	0·395	0·372	−5·7
Rutland	0·232	0·222	−4·4
Lincolnshire			
Boston	0·463	0·448	−3·3
East Lindsey	1·008	0·963	−4·5
Lincoln	0·769	0·758	−1·3
North Kesteven	0·610	0·585	−4·0
South Holland	0·526	0·511	−2·8
South Kesteven	0·842	0·811	−3·8
West Lindsey	0·620	0·581	−6·2
Norfolk			
Breckland	0·830	0·798	−3·9
Broadland	0·723	0·702	−2·8
Great Yarmouth	0·788	0·775	−1·6
North Norfolk	0·804	0·788	−2·0
Norwich	1·391	1·332	−4·2
South Norfolk	0·730	0·720	−1·3
King's Lynn and West Norfolk	1·080	1·043	−3·4
Northamptonshire			
Corby	0·451	0·424	−5·9
Daventry	0·455	0·436	−4·2
East Northamptonshire	0·509	0·493	−3·1
Kettering	0·625	0·600	−3·9
Northampton	1·541	1·486	−3·5
South Northamptonshire	0·461	0·451	−2·1
Wellingborough	0·519	0·507	−2·4
Northumberland			
Alnwick	0·317	0·280	−11·7
Berwick-upon-Tweed	0·309	0·276	−10·9
Blyth Valley	0·617	0·562	−8·9
Castle Morpeth	0·409	0·391	−4·5
Tynedale	0·574	0·500	−13·0
Wansbeck	0·512	0·496	−3·3
North Yorkshire			
Craven	0·467	0·431	−7·8
Hambleton	0·613	0·578	−5·7
Harrogate	1·207	1·155	−4·3
Richmondshire	0·385	0·344	−10·8
Ryedale	0·711	0·666	−6·3
Scarborough	0·957	0·922	−3·7
Selby	0·645	0·639	−1·1
York	1·039	0·985	−5·2
Nottinghamshire			
Ashfield	0·880	0·867	−1·5
Bassetlaw	0·848	0·830	−2·1
Broxtone	0·862	0·828	−3·9
Gedling	0·850	0·809	−4·8
Mansfield	0·823	0·800	−2·9
Newark	0·832	0·815	−2·1
Nottingham	2·953	2·782	−5·8
Rushcliffe	0·687	0·672	−2·3
Oxfordshire			
Cherwell	0·883	0·852	−3·5
Oxford	1·100	1·018	−7·5
South Oxfordshire	0·909	0·885	−2·6
Vale of White Horse	0·767	0·752	−2·0
West Oxfordshire	0·625	0·608	−2·7
Shropshire			
Bridgnorth	0·385	0·365	−5·2
North Shropshire	0·396	0·377	−4·8
Oswestry	0·262	0·255	−2·8
Shrewsbury and Atcham	0·763	0·747	−2·0
South Shropshire	0·351	0·320	−8·9
The Wrekin	1·055	1·024	−3·0
Somerset			
Mendip	0·740	0·719	−2·8
Sedgemoor	0·733	0·713	−2·6
Taunton Deane	0·769	0·753	−2·0
West Somerset	0·317	0·296	−6·5
South Somerset	1·137	1·113	−2·1
Staffordshire			
Cannock Chase	0·673	0·640	−4·9
East Staffordshire	0·830	0·795	−4·2
Lichfield	0·644	0·617	−4·1
Newcastle-under-Lyme	0·930	0·899	−3·4
South Staffordshire	0·645	0·643	−0·4
Stafford	0·969	0·929	−4·1
Staffordshire Moorland	0·676	0·659	−2·5
Stoke-on-Trent	2·375	2·280	−4·0
Tamworth	0·496	0·468	−5·6
Suffolk			
Babergh	0·586	0·570	−2·7
Forest Heath	0·432	0·424	−1·8
Ipswich	1·145	1·088	−5·0
Mid Suffolk	0·572	0·553	-3·3
St. Edmundsbury	0·741	0·713	−3·8
Suffolk Coastal	0·847	0·828	−2·2
Waveney	0·924	0·909	−1·7
Surrey			
Elmbridge	0·950	0·927	−2·4
Epsom and Ewell	0·554	0·520	−6·2
Guildford	1·088	0·984	−2·3
Mole Valley	0·632	0·623	−1·4

Authority	1985-86 £ million	1986-87 £ million	Change per cent.
Reigate and Banstead	0·938	0·910	−3·0
Runnymede	0·553	0·539	−2·6
Spelthorne	0·791	0·762	−3·8
Surrey Heath	0·554	538	−2·9
Tandridge	0·534	0·519	−2·7
Waverley	0·830	0·818	−1·4
Woking	0·689	0·674	−2·1
Warwickshire			
North Warwickshire	0·440	0·433	−1·6
Nuneaton and Bedworth	0·842	0·812	−3·5
Rugby	0·710	0·682	−4·0
Stratford on Avon	0·781	0·764	−2·3
Warwick	0·982	0·963	−2·0
West Sussex			
Adur	0·498	0·486	−2·5
Arun	1·119	1·110	−0·9
Chichester	0·863	0·843	−2·3
Crawley	0·817	0·780	−4·6
Horsham	0·783	0·773	−1·3
Mid Sussex	0·857	0·832	−2·9
Worthing	0·961	0·928	−3·4
Wiltshire			
Kennet	0·500	0·474	−5·2
North Wiltshire	0·790	0·767	−3·0
Salisbury	0·824	0·787	−4·5
Thamesdown	1·397	1·354	−3·1
West Wiltshire	0·808	0·791	−2·1
All Purpose Authorities			
Isles of Scilly	0·042	0·028	−33·5
England Total	429·300	408·500	−4·8

Mr. Austin Mitchell asked the Secretary of State for the Environment what information he has as to how much money was spent *(a)* in total and *(b)* per month on refuse disposal in London during the 12 months prior to the abolition of the Greater London Council, as to how much money has been spent (i) in total and (ii) per month on refuse disposal in London during April and May, and as to how much money is expected to be spent on refuse disposal in London (1) in total and (2) per month in the next 10 months.

Mrs. Rumbold: A budget for total revenue expenditure by the Greater London Council in 1985-86 on waste disposal of £72,090,000 was quoted in the submission of the Association of London Authorities on the future organisation of waste disposal in London. An estimate of £72·91 million for revenue expenditure in 1985-86 on this service was contained in another document circulated by the Greater London Council. Otherwise my Department does not have this information.

Mr. Austin Mitchell asked the Secretary of State for the Environment what information he has as to how much money was spent *(a)* in total and *(b)* per month on refuse disposal in Tyne and Wear, Merseyside, West Midlands, South and West Yorkshire and Greater Manchester metropolitan counties during the 12 months prior to their abolition, as to how much money has been spent (i) in total and (ii) per month on refuse disposal in these areas during April and May, and as to how much money is expected to be spent on refuse disposal (1) in total and (2) per month in the next 10 months.

Mrs. Rumbold: The revenue expenditure and income estimates for 1985-86 for Greater Manchester, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire county councils are summarised on pages 13 and 14 of "Waste Disposal Statistics 1985-86 Estimates", published by the statistics information service of the Chartered Institute of Public Finance and Accountancy. Merseyside county council (which did not co-operate in this publication) returned a figure of £5·5 million at November 1984 prices to my Department as its net revenue expenditure in 1985-86 on waste disposal. Otherwise my Department does not have this information.

Crown Suppliers

Mr. Hoyle asked the Secretary of State for the Environment if he will make a statement on the conclusions of the report of the review team on the future of the Crown Suppliers, with particlar reference to the possible privatisation of the organisation; what view was expressed to the review team on this matter by suppliers; what conclusions the review team reached about the effect of privatisation on the promptness of bill payments by the Crown Suppliers; what conclusions he has reached on the report's recommendations; and if he will make a statement.

Sir George Young: In relation to the report of the review team I have nothing at present to add to the reply I gave on 3 June to the hon. Member for Birkenhead (Mr. Field) at columns *510-11*. As regards the views expressed by suppliers, I refer the hon. Member to my reply to the hon. Member for Thurrock (Dr. McDonald) on 27 March at column *625*. In its report, the review team notes that some suppliers expressed concern that the Crown Suppliers, if privatised, might not pay bills as promptly as at present.

Mr. Hoyle asked the Secretary of State for the Environment what assessment he has made of the importance for small businesses of contracts from the Crown Suppliers.

Sir George Young: The Government attach great importance to the encouragement and use of small firms on contracts for the Crown Suppliers. In line with Government policy, the Crown Suppliers places contracts wherever possible with small businesses, where this can be shown to be economic. About one third of all contracts awarded after competition in 1984-85 were with firms employing fewer than 100 staff.

Paper

Mr. Steen asked the Secretary of State for the Environment (1) what percentage of paper used by Government Departments for correspondence with other Departments and Members of Parliament is recycled;

(2) what steps he is taking to encourage Government Departments to use 100 per cent. recycled paper for their correspondence;

(3) what is the estimated amount of paper used by his Department each year for correspondence; what is the total cost; and what is the difference in cost between recycled and non-recycled paper.

Mr. Waldegrave: The Secretary of State has asked other Government Departments to consider using recycled paper, but it is for individual Departments to determine whether it would be economic and practical to do so. Details of this usage are not kept by my Department.

Within my Department, existing stocks of conventional paper are now being used up. Thereafter all correspondence with be conducted on recycled paper. My Department uses 15 tonnes of paper each year for correspondence at an estimated cost of £14,600. Paper costs vary considerably in relation to quality but my Department expects an estimated annual saving of £4,000 through the use of recycled paper.

Water

Mr. Boyes asked the Secretary of State for the Environment (1) what discussions he has with the European Commission as to the extent to which the proposed water services plcs will be accepted as competent authorities for the purpose of the relevant EEC directives; and if he will make a statement;

(2) how many homes had their own water supplies cut off by water authorities in 1985; and for how long, in each year from 1979 to 1986 and to the latest available date.

Mr. John Patten: I shall answer these questions shortly.

Greater London Council (Minutes)

Mr. Tony Banks asked the Secretary of State for the Environment what is the reason for the delay in circulating the draft minutes of the last meeting of the Greater London council held on 27 March.

Mrs. Rumbold: This is a matter for the London residuary body. I understand that it expects to issue the minutes shortly.

Playboard

Mr. Hancock asked the Secretary of State for the Environment how much Playboard has received in Government funds in the last year.

Mrs. Rumbold: The amount is £700,000 in the financial year 1985-86.

Palace Chambers

Mr. Heathcoat-Amory asked the Secretary of State for the Environment what work he intends to carry out on Palace Chambers; and if he will make a statement.

Sir George Young: For some time Palace Chambers, which forms part of the Bridge street redevelopment site, has been scheduled for eventual demolition. Following advice from structural engineers, it was decided in January that early demolition was necessary to relieve the load on the supporting structure. Some preliminary work has already been done. Work will start this month to take the building down to first-floor level which will enable the ground floor shops to remain open until later in the year when their leases expire. The rest of the building will then be demolished.

The work has been arranged in close consultation with London Underground.

Plans for the new building are at an early stage.

Area Caretaker

Mr. Rooker asked the Secretary of State for the Environment why his Department has turned down new area caretaker projects in Handsworth, Birmingham.

Mr. John Patten: I shall answer this question shortly.

Local Government Finance

Mr. Clay asked the Secretary of State for the Environment if he will state the total amount of capital receipts which *(a)* all local authorities, *(b)* local authorities in the northern region and *(c)* the borough of Sunderland are currently prevented from spending because of the regulations regarding such spending which prevail at present.

Mrs. Rumbold [*pursuant to her reply*, 3 June 1986, c. *495*]: Under the present capital control arrangements local authorities can spend all their capital receipts over time. Receipts can be used to repay debt or to finance capital expenditure in lieu of borrowing at any time. But the amount which can be used in any one year to justify extra capital expenditure in addition to allocations is limited by the relevant prescribed proportions.

Information on the accumulated capital receipts of individual local authorities is only available for 1984-85. At the end of that year local authorities in England held accumulated receipts of £6·2 billion. Of that total, £3·8 billion was backed by cash; the remainder had been used for purposes such as debt repayment. The prescribed proportion of the accumulated receipts available to justify additional capital expenditure in 1985-86 was £1·7 billion.

The equivalent figures for local authorities in the northern region and for the borough of Sunderland were as follows:

£ million

	Northern Region	*Sunderland Borough Council*
Accumulated receipts at the end of 1984-85	327	26
Cash backed accumulated receipts at end of 1984-85	182	9
Prescribed proportion of accumulated receipts available in 1985-86	83	6

London Docklands Development Corporation

Mr. Spearing asked the Secretary of State for the Environment what proposals he has received from the London Docklands Development Corporation concerning major new road construction in its area; and what are the estimated costs of each section of the proposed works.

Sir George Young [*pursuant to his reply*, 9 June 1986, c. *19*]: The London Docklands Development Corporation has put forward proposals for a new highways strategy, many parts of which are still under discussion. The proposals fall broadly into three groups, with these preliminary estimates of cost:

a. an east-west route from Butcher Row to Silvertown Way—about £115 million;
b. a continuation of that route from Silvertown Way to the future A13/South Woodford to Barking Relief Road Junction — about £65 million;
c. various improvements in Southwark costing about £11 million.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment (1) what guidance he is giving to the London

residuary body in respect of transfers from the Greater London council mortgage account to private sector companies;

(2) if he has given any guidance to the London residuary body in respect of the disposal or future use of county hall.

Mrs. Rumbold [*pursuant to her reply*, 12 June 1986, c. *310*]: A draft of guidance on property, rights and liabilities to all residuary bodies was circulated on 10 April 1986 to local authority associations, successor authorities and residuary bodies for comment. The draft did not include specific guidance about the Greater London Council's mortgage account or about County Hall in London. The draft guidance is being reviewed in the light of the comments received.

Mr. Tony Banks asked the Secretary of State for the Environment if he will itemise the subjects covered by instructions, directives and guidance issued by his Department to each residuary body since the abolition of the Greater London council and metropolitan county councils.

Mrs. Rumbold [*pursuant to her reply*, 12 June 1986, c. *310*]: No instructions or guidance in final form have been issued to residuary bodies since 1 April 1986 and no directions have been made under section 65 of the Local Government Act 1985. A draft of guidance on property, rights and liabilities to all residuary bodies was circulated to local authority associations, successor authorities and residuary bodies for comment. The draft guidance is being reviewed in the light of the comments received.

Mr. Tony Banks asked the Secretary of State for the Environment if he will give his current estimate of the number of ex-Greater London council staff who have not still received full payment of outstanding moneys from the London residuary body.

Mrs. Rumbold [*pursuant to her reply*, 12 June 1986, c. *310*]: It is not possible to give a precise estimate. This is partly because some redundancy or compensation payments may be subject to adjustment in the light of late changes in an individual's emoluments immediately before abolition, partly because some claims are in dispute, and partly because claims for compensation for financial detriment, which will be made on a continuing basis for a period of eight years, are still being received and because such payments will also be subject to adjustment in the light of any change in the circumstances of those eligible.

Coal Industry (Disabled Persons)

Mr. Redmond asked the Secretary of State for Energy what is the extent of compliance by the National Coal Board with the quota requirement for the employment of disabled persons under the provisions of the Disabled Persons (Employment) Act 1944; and if he will give the employment percentage for each region, district and colliery.

Mr. David Hunt: I shall ask the chairman to write to the hon. Member.

Electricity Generation (Costs)

Mr. Wigley asked the secretary of State for Energy if he will publish a table indicating on the most recent available information, including the newly negotiated contract for the supply of coal to the Central Electricity Generating Board, what are the comparative costs of generating electricity by nuclear power and by the various conventional methods of generation.

Mr. Goodlad: I will ask the chairman of the CEGB to write to the hon. Member.

British Gas

Mr. Dobson asked the Secretary of State for Energy what companies are involved in giving advice on, or in the promotion of, the sale of the British Gas Corporation; and what functions they are performing.

Mr. Peter Walker: My Department has involved the following organisations in giving advice on, or in the promotion of, the sale of British Gas:

Company	*Function*
N. M. Rothschild and Sons Ltd.	Merchant bank adviser
Slaughter and May	Legal adviser
Touche Ross and Co.	Accountancy and Tax adviser
Price Waterhouse	Reporting accountant
Cazenove and Co.	Lead broker
Wood Mackenzie and Co. Ltd.	Specialist brokers
James Capel and Co.	
Energy Resource Consultants Ltd.	Petroleum consultant
National Westminster Bank PLC	Registrar and receiving bank
Dewe Rogerson Limited	PR consultant
Young and Rubicam Ltd.	Advertising agency
Goldman Sachs International Corp.	US financial adviser
Swiss Bank Corporation International Ltd.	European financial adviser
Nomura Securities Company Limited	Japanese financial adviser
Wood Gundy Ltd.	Canadian financial adviser
Sullivan and Cromwell	US legal adviser
Anderson, Mori and Rabinowitz	Japanese legal adviser
Blake, Cassels and Graydon	Canadian legal adviser

PRIME MINISTER

Industrial Air Pollution Inspectorate

Mr. Alexander asked the Prime Minister if, in order to bring together under common management within the Department of the Environment responsibility for air, waste and water inspection, she will arrange for responsibility for the industrial air pollution inspectorate to be transferred to that Department.

The Prime Minister: The working arrangements in this and related areas are currently under review.

Birmingham City Council (Ministerial Deputations)

Mr. Rooker asked the Prime Minister if she will list the Ministers who have received deputations from Birmingham city council in the current year, stating the dates and the purpose of each meeting.

The Prime Minister: I will reply to the hon. Gentleman shortly.

Visiting Dignitaries (Official Gifts)

Mr. Tony Banks asked the Prime Minister how much was spent by her office on official gifts for visiting dignitaries and for presentation by her in each year since 1979.

The Prime Minister: Information in the form requested, or before 1 April 1983, is not available except at disproportionate cost.

Since 1 April 1983, the following amounts have been spent on gifts for presentation, including those bought for presentation during overseas visits:

Financial year	*Amount £*
1983-84	14,450
1984-85	16,678
1985-86	21,524

Community Psychiatric Centres

Ms. Clare Short asked the Prime Minister, further to her reply of 12 June, whether any Minister other than those at the Department of Health and Social Security have had any contact with representatives of community psychiatric centres about their proposal to build and run a psychiatric hospital catering for National Health Service patients in Birmingham; and if she will make a statement.

The Prime Minister: I am not aware of any such contacts.

HOME DEPARTMENT

News International

Mr. Cohen asked the Secretary of State for the Home Department how many police officers have been seconded from Leyton and Leytonstone to assist in the policing of the industrial dispute at Wapping.

Mr. Giles Shaw: Officers deployed at various times at the News International plant at Wapping have been drawn from throughout the Metropolitan police district. I understand from the commissioner that while the information sought is not readily available in the form requested, officers from Leyton and Leytonstone police stations have performed duty at Wapping for 1,040 hours and 408 hours respectively.

Mr. Kaufman asked the Secretary of State for the Home Department what has been to date *(a)* the cost to public funds of the police operation outside Mr. Rupert Murdoch's establishment at Wapping, *(b)* the proportion of total Metropolitan police manpower engaged in these operations, *(c)* the proportion of total Metropolitan police time taken up by these operations, *(d)* the effect of these operations on other Metropolitan police operations and *(e)* which anti-crime activities have specifically been affected.

Mr. Giles Shaw: I will reply as soon as possible.

Mr. Tony Banks asked the Secretary of State for the Home Department if the police have entered the Wapping premises of News International during the course of the current dispute.

Mr. Giles Shaw: I understand from the commissioner that on occasions the police have entered the premises of News International in connection with the prevention or detection of criminal offences.

Mr. Nellist asked the Secretary of State for the Home Department how many arrests have taken place at Wapping in connection with the print dispute from 18 May to 16 June.

Mr. Giles Shaw: One hundred and three, up to midnight on 15 June.

Mr. Dicks asked the Secretary of State for the Home Department what has been the cost of policing the demonstrations and pickets at the Wapping News International plant.

Mr. Tony Banks asked the Secretary of State for the Home Department what has been the total policing costs to date of the News International dispute at Wapping.

Mr. Giles Shaw [*pursuant to his replies*, 8 May, c. *207*, and 20 May, c. *126*]: The Commissioner of Police of the Metropolis tells me that the additional costs incurred in policing the News International dispute at Wapping up to 10 May are estimated at some £550,000.

Prison Visits (Financial Assistance)

Mr. Bellingham asked the Secretary of State for the Home Department if he will give the total cost of financial assistance to relatives from elsewhere in the United Kingdom visiting prisoners in Northern Ireland.

Mr. Mellor: It would not be possible except at disproportionate cost to disaggregate expenditure on assisted visits by reference to the destination of visitors.

Mr. Bellingham asked the Secretary of State for the Home Department if he will give the total cost of the financial assistance scheme for relatives visiting prisoners in the United Kingdom.

Mr. Mellor: Provisional outturn for 1985-86 for expenditure on the assisted visits schemes is as follows:

	£
England and Wales	*818,283
Scotland	*160,102
Northern Ireland	42,394
Total	*1,020,779

*These figures include expenditure incurred by the Department of Health and Social Security in 1984-85 but not reimbursed until 1985-86.

Representation of the People Act 1985

Mr. Moate asked the Secretary of State for the Home Department when he expects to issue a commencement order under the Representation of the People Act 1985; and to which electoral register he expects the new provisions for absent voters to relate.

Mr. Mellor: We intend to make a further commencement order under the Representation of the People Act 1985 as soon as the draft Representation of the People Regulations 1986, which are now before Parliament, have been approved. We expect the new provisions on absent voting to come into force on 1 January next year for the purpose of any election falling on or after 16 February 1987, the date when the next electoral register comes into force.

Schools (Information and Careers Visits)

Mr. Lawler asked the Secretary of State for the Home Department how many police and prison service personnel are currently involved in information and careers visits to schools; and if he will make a statement.

Mr. Giles Shaw: Police officers visit schools to give advice on a variety of matters but there is no central record of the number of officers involved. Visits to schools are not normally made by members of the prison service for this purpose.

Terminally Ill Prisoners

Mr. Janner asked the Secretary of State for the Home Department (1) when officials in the criminal department dealing with cases of terminally ill prisoners were reminded orally by their line managers of the need to take particular and urgent care in the consideration of such prisoners;

(2) when officials in the criminal department dealing with cases of terminally ill prisoners were reminded in writing by their line managers of the need to take particular and urgent care in the consideration of such prisoners; and whether he will supply a copy of the letter concerned to the hon. and learned Member for Leicester, West;

(3) further to his answer of 4 June to the hon. and learned Member for Leicester, West, by whom officials dealing with the review of decisions on special revision were instructed that no undue delay was to be allowed to occur in reviewing cases; how such instruction was given, and when; and if he will supply a copy of such instructions to the hon. and learned Member for Leicester, West.

Mr. Mellor: Officials who deal with these cases have always been fully aware of the need to treat them with compassion and urgency. From time to time they are reminded of this orally by their line managers in work discussions and in connection with the consideration of individual cases. In addition, specific reminders about the handling of these cases were issued on 20 December 1985 and 30 May 1986. We do not think it right to make available internal minutes of this kind.

Shoplifting

Mr. Janner asked the Secretary of State for the Home Department whether he will now send a further circular to chief officers of police to draw particular attention to the suitability of cautioning in respect of juveniles, the elderly and infirm and persons suffering from physical and mental illness, mental impairment or emotional distress, before instituting procedures for shoplifting.

Mr. Giles Shaw: Home Office circular 14/1985 draws the attention of the police to the suitability of cautioning offenders who are juveniles, elderly or infirm, of suffering from physical or mental illness, mental impairment, or emotional distress in any case where the circumstances of the offence are not particularly serious. The police will have regard to these factors in cases of shoplifting as well as in other offences. The decision on whether to caution or institute a prosecution in individual cases is a matter for chief officers of police, having regard to all the circumstances of the offence.

Mr. Peter Harvey

Mr. Kirkwood asked the Secretary of State for the Home Department, pursuant to his answer of Tuesday 3 June, *Official Report*, column *520*, on what items of legislation Mr. Peter Harvey worked while employed in his Department.

Mr. Hurd: There is no central record of all the legislation Mr. Harvey has worked on since he joined the Home Office in 1948.

Multicultural Centres

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how much funding under section 11 of the Local Government Act 1986 is made available to the Avon multicultural centre; how much is provided for similar centres and if he will list them; how much is provided for other educational purposes and if he will categorise them; and if he will make a statement.

Mr. Waddington: For the financial year 1984-85, the last year for which the relevant information is available, the Home Office has approved a claim from Avon county council for a grant under section 11 totalling £703,215 in respect of staff employed at the Avon multicultural education centre. For the same year, it is estimated that total claims for section 11 grant from local education authorities in England and Wales will amount to approximately £60·3 million. Of this, approximately £55 million will be payment in respect of teachers, approximately £4·8 million payment in respect of ancillary helpers and approximately £0·46 million payment in respect of education and welfare officers. These totals include grant claimed by a number of local education authorities in respect of staff working from central units as distinct from schools. These have a variety of titles and functions so that it is difficult to compare them with the Avon centre. However, the available information in respect of these central units is as follows.

Education authority	*Name of central unit*	*Grant claimed in 1984-85* £
Birmingham	Bordesley Centre (including multicultural resource and support units)	1,554,060
Brent	Language Centre	876,578
Buckinghamshire	Multicultural Centre	17,027
Cambridgeshire	Cambridge Multicultural Unit	96,686
	Peterborough Multicultural Education Centre	75,945
Coventry	Minazitj Group Support Service	561,867
Derbyshire	Multicultural Education Centre	90,441
Ealing	Multicultural Support Service and Section	1,029,097
Haringey	English Language Research Centre	469,225
Oldham	Multicultural education and language Service	227,300
Sandwell	Ethnic Minorities Support Service	834,556
Tameside	Multicultural Education Support Section	77,048
Total		5,909,830

Following discussion with representatives of the local education authority about the work of the Avon centre, the Home Office has asked for further information about the functions of certain posts. In the light of this information, which is awaited, we will determine whether these functions can properly be supported by grant under section 11.

Hippy Convoy

Mr. Kaufman asked the Secretary of State for the Home Department if, taking account of the experience of the police in dealing with the unroadworthy vehicles belonging to members of the hippy convoy, he now intends to instruct the Commissioner of Police of the Metropolis to take similar action against unroadworthy vehicles in London; and if he will call for reports from all chief constables on the action they are taking on this matter.

Mr. Giles Shaw: No. The enforcement of road traffic legislation is an operational matter for individual chief officers of police.

Mr. Kaufman asked the Secretary of State for the Home Department if he will call for a report from the chief constable of Hampshire about the total cost to provide funds for the police operation to disperse the hippy convoy.

Mr. Giles Shaw: Yes, and I will reply as soon as possible.

Prisons

Mr. Fatchett asked the Secretary of State for the Home Department, further to his reply of 10 June, *Official Report*, column 138, if he will give an indication as to when construction work on the main scheme for the extension of Leeds prison is expected to start.

Mr. Mellor: Early in 1989.

Mr. Alton asked the Secretary of State for the Home Department how he proposes to cure the problem of overcrowding in prisons.

Mr. Mellor: For the short term we are continuing to look at ways in which better use can be made of the existing prison estate, having regard to changes that have occurred and are projected to occur in the nature of the prison population.

In the longer term, the building programme includes a total of 16 new prisons which will provide some 8,000 additional places by the early 1990s. Three of these prisons have already been completed, five are being built and the remainder are at various stages of planning and design. Apart from the new prisons, there are some 25 major capital projects at existing establishments and also many other smaller schemes. These projects will provide a further 5,500 or so places over the next few years.

We have also acquired and converted for prison purposes a former RAF camp at Lindholme near Doncaster. This has provided a further 750 places with scope for further expansion if necessary.

We are also continuing to encourage the use of non-custodial sentences for persons convicted of less serious offences.

Mr. Alton asked the Secretary of State for the Home Department if he will make a statement on the Public Accounts Committee's report on government expenditure for the prison building programme.

Mr. Hurd: The Committee of Public Accounts published its report on the prison building programme on 11 June. It followed a report published in December 1985 by the Comptroller and Auditor General on which the accounting officers of the Home Office and the Property Services Agency were examined in February.

My Department is considering the conclusions and recommendations of the report and, in accordance with the normal practice, the Government's response will be made in a Treasury minute, which we expect to be published before the summer recess. I do not wish to pre-empt that response except to say that we are studying the Committee's criticisms of past performance and welcome its recognition of the progress we have already made, in conjunction with the Property Services Agency and the Lord Chancellor's Department, to improve our procedures for planning, designing and building new prison accommodation.

Mr. Alton asked the Secretary of State for the Home Department what plans he has to deal with difficulties in relation to sanitation in prison cells.

Mr. Mellor: There are approximately 41,200 certified places in prison establishments, including some temporarily out of use for refurbishment, of which approximately 19,400 have either integral sanitation or access to sanitary facilities. Population exceeded certified accommodation by an average of approximately 5,000 during 1985, and most of this surplus population was held in accommodation without access to sanitation. By the end of 1990 we estimate that 28,000 places will have access to sanitation and by 1999 this figure should rise to 37,800; this represents a significant investment in the provision of sanitary facilities.

Various operational and technical problems are involved in providing integral sanitation. In particular, it is necessary to empty substantial blocks of accommodation while the work is undertaken, and this causes operational difficulties in the overcrowded Victorian prisons which are most likely to lack sanitary facilities. It is expected that this problem will ease as the prison building programme progresses and provides extra places to relieve overcrowding in local prisons, but there is a basic conflict between engaging on projects to provide sanitation and achieving our prime objective of reducing overcrowding.

Progress has nevertheless been made. A recent pilot project at Stafford prison has proved successful, and the same system — in which one in every three cells is converted into two sanitary annexes, one for each of the two neighbouring cells — is being used for the refurbishment of Liverpool prison. All new prisons and new accommodation blocks in existing prisons provide for access to sanitation, and it is our policy that access to sanitation should form part of all major refurbishment projects at existing establishments which entail modernisation of the living blocks.

Mr. Alton asked the Secretary of State for the Home Department how he proposes to reduce the number of prison buildings which remain unused due to faults in their design.

Mr. Mellor: The only new prison accommodation that remains part unoccupied is at Holloway. Plans are in hand to bring this into use, but these are dependent on the implementation of recommendations which have recently been made by a manpower appraisal team. The need for a manpower study was recommended in the Holloway project committee report, July 1985.

Police (Civil Actions)

Mr. Tony Banks asked the Secretary of State for the Home Department when he intends to reply to the questions from the hon. Member for Newham, North-West about civil actions against the police for which replies were promised on 14 April, *Official Report*, column 235, and about which telephone calls were made to his Department on 1 May, 23 May, 5 June and 10 June.

Mr. Giles Shaw: I have today written to the hon. Member. I regret the delay in replying.

Prevention of Terrorism

Mr. Tony Banks asked the Secretary of State for the Home Department how many persons were arrested or detained in each police authority area for each month since July 1985 under the Prevention of Terrorism Act; what was the length of time each person was held; with what offences they were charged; and how many were served with exclusion orders.

Mr. Giles Shaw: I will reply as soon as possible.

Birmingham Bombings

Mr. Hume asked the Secretary of State for the Home Department if his Department's review of the case of the six people currently serving sentences for the Birmingham bombings has been completed; and if he will make a statement.

Mr. Mellor: My right hon. Friend has been considering the material submitted to him following the "World in Action" programme on 28 October last year. He has now received a copy of a book about the case, which is to be published shortly. My right hon. Friend will need to consider whether it provides any further material or evidence which would affect his decision on whether or not he would be justified in referring the case to the Court of Appeal.

EMPLOYMENT

Labour Statistics

Mr. Frank Field asked the Paymaster General if he will specify the average unemployment rate during 1984 and 1985 in each of the 10 local authority areas with the highest average unemployment rates in the United Kingdom for the years specified.

Mr. Lang: The following table shows, for 1984 and 1985, the 10 counties with the highest average unemployment rates. Unemployment rates are not calculated for local authority areas smaller than counties, or regions in Scotland.

County	*Average unemployment rate*
1984	
Cleveland	22·5
Merseyside	20·7
Tyne and Wear	19·4
Mid Glamorgan	18·4
Durham	18·3
Strathclyde Region	18·3
Clwyd	17·5
Gwynedd	17·1
Cornwall and Isles of Scilly	16·7
South Yorkshire	16·6
Gwent	16·6
West Midlands	16·5
1985	
Cleveland	22·7
Merseyside	21·0
Tyne and Wear	20·1
Mid Glamorgan	18·9
Durham	18·8
Strathclyde Region	18·7
Gwynedd	18·4
Clwyd	18·2
Cornwall and Isles of Scilly	17·8
Dyfed	17·6
South Yorkshire	17·5
Gwent	17·1

Mr. Winnick asked the Paymaster General what was the number of those unemployed for 12 months and more in May 1979; what is the current number; and what has been the percentage increase.

Mr. Lang: The following information is in the Library. On 10 April 1986, the latest date for which an analysis of unemployment by duration is available, the number of claimants in the United Kingdom who had been unemployed for over 12 months was 1,356,509. The corresponding number of unemployed registrants in April 1979—not available for May 1979—was 366,711. The figures are not strictly comparable because of changes in the way the figures are collected.

Mr. Hancock asked the Paymaster General how many people were unemployed in each electoral division in Portsmouth, at the latest available date; and if he will show the percentage change from the same period three years ago.

Mr. Lang: The following information is in the Library. Figures are given showing the numbers of unemployed claimants as at 8 May 1986 in the wards of the Portsmouth local authority district. Statistics of unemployment for electoral wards are derived from the new ward-based system and are available only from June 1983. Moreover, comparisons with May 1983 would have been affected by the 1983 Budget provisions, which means that certain older men, mainly aged 60 and over, no longer have to sign on to obtain national insurance credits or supplementary benefits, and by the change in the timing of compilation of unemploymemnt statistics in March 1986.

	Number
Buckland	558
Cosham	617
Farlington	296
Fratton	583
Havelock	737
Highland	650

	Number
Kingston	494
Nelson	517
North End	698
Paulsgrove	1,122
Portsea	899
St. Jude	1,228
St. Mary and Guildhall	712
St. Simon	800
St. Thomas	1,072
Meredith	644

Community Programme

Mr. Craigen asked the Paymaster General what representations he has received about extending the length of time an individual could be employed in the community programme for up to two years; and what consideration he is giving to the merits of the proposals.

Mr. Lang: I have received a number of representations from hon. Members and others about the normal length of participation allowed on the community programme.

The period of employment for participants is normally limited to one year and I have no present plans to change this arrangement. However, managers, supervisors and other key workers may be retained where there are no suitable replacements from amongst eligible long-term unemployed people and we are currently considering the recommendation in the report "Value for Money in the Community Programme" that managers and supervisors should be retained for two years as a matter of course.

Home Working

Ms. Harman asked the Paymaster General when the Health and Safety Commission intends to issue regulations or guidance in respect of home working.

Mr. Trippier: The Health and Safety Commission hopes to consider proposals on home working later this year.

Parental Leave

Mrs. Beckett asked the Paymaster General how many representations have been received by the Department of Employment on the European Commission's proposals for parental leave since the matter was last discussed by EEC Employment Ministers on 5 December 1985.

Mr. Lang: At 11 June we had received 152 representations.

Labour Statistics

Ms. Richardson asked the Paymaster General what number and proportion of the employed labour force have a length of service in employment of *(a)* less than two years and *(b)* less than five years; and what number and proportion of those employed for less than five years are part-time workers working (i) less than eight hours, (ii) less than 12 hours, (iii) less than 16 hours and (iv) less than 20 hours a week, giving the most recently available figures.

Mr. Lang: Information is not available in the exact form requested.

The regularly published employed labour force series does not identify length of service in employment or number of hours worked a week.

The labour force survey (LFS) provides information on a different basis but allows the above analyses. Preliminary LFS results for the spring of 1985 are presented in the following tables:

TABLE 1
Length of time in employment

	Great Britain	
	Thousands	*Per cent.*
All persons in employment	23,678	100·0
With same employer, or self-employed, for less than 2 years	6,737	28·5
With same employer, or self-employed, for at least 2 but less than 5 years	4,615	19·5

TABLE 2
Total usual number of hours worked per week

	Great Britain	
	Thousands	*Per cent.*
All persons with same employer, or self-employed, for less than 5 years who:	11,352	100·0
Work less than 8 hours per week	510	4·5
Work at least 8 but less than 12 hours per week	509	4·5
Work at least 12 but less than 16 hours per week	512	4·5
Work at least 16 but less than 20 hours per week	366	3·2

Mr. Deakins asked the Paymaster General if he will give the number of unemployed claimants by ward in Walthamstow in June 1983 and in the latest month for which figures are available.

Mr. Lang: The following information is in the Library. The table shows the numbers of unemployed claimants in June 1983 and May 1986 in each ward of the Walthamstow parliamentary constituency. This comparison is affected by seasonal factors, the 1983 Budget provisions, which meant that certain older men, mainly aged 60 and over, no longer have to sign on to obtain national insurance credits or supplementary benefit, and by the change in the timing of compilation of unemployment statistics in March 1986.

	June 1983	*May 1986*
Higham Hill	408	425
High Street	545	630
Hoe Street	720	867
Lloyd Park	588	629
St. James Street	738	884
Wood Street	597	669

Construction Industry Training Board

Mr. Thurham asked the Paymaster General what is the estimated total of levy payments to the Construction Industry Training Board during the current year.

Mr. Trippier: The latest forecast income of the Construction Industry Training Board from levy for the 1986-87 financial year is £50 million.

Regional Employment

Mr. Adley asked the Paymaster General what steps he is taking to encourage employment in the regions.

Mr. Lang: Our policies to bring about an enterprising competitive economy have led to the creation of nearly a million extra jobs throughout Great Britain since March 1983.

All regions will benefit from the new package of measures announced in the Budget to accelerate the growth of enterprise, boost opportunities for the young, and help the long-term unemployed find work. In addition, a pilot scheme of task forces has been set up in eight small inner city areas to develop new approaches to job creation and enterprise to benefit local residents.

EC (Employment Strategy)

Mr. Foulkes asked the Paymaster General if he will place in the Library a copy of the paper produced for discussion at the Council of Ministers by Her Majesty's Government entitled "Employment Growth into the 1990's: a Strategy for the Employment Market."

Mr. Kenneth Clarke: I have already done so.

SCOTLAND

Employment (Stirling)

Mr. Michael Forsyth asked the Secretary of State for Scotland if he will publish for the Queensland division of the Stirling constituency the structure of employment consistent with table 2 in appendix 2 of the Highlands and Islands Development Board's 20 annual report (1985).

Mr. Allan Stewart: I regret that this information is not available.

Refuse Disposal

Mr. Robin Cook asked the Secretary of State for Scotland if he will publish in the *Official Report* a table showing by local authority and for all Scotland *(a)* the number of people employed in refuse collection in 1979-80 and the year for which the most recent figures are available and *(b)* the number of people employed in street cleansing in 1979-80 and the year for which the most recent figures are available.

Mr. Ancram: This information is not available centrally in the form requested.

Glasgow (Woodlands Advice Centre)

Mr. Craigen asked the Secretary of State for Scotland when he expects to reply to Glasgow district council concerning the Woodlands advice centre extension of urban aid funding application submitted in February.

Mr. Ancram: Consideration of this application has raised a number of issues which the Scottish Development Department is currently investigating with Glasgow district council. I hope that it will be possible to notify a decision shortly.

Legal Aid

Mr. Craigen asked the Secretary of State for Scotland if he will give details of the number and percentage of criminal legal aid cases refused in each sheriffdom and in each legal aid committee area in Scotland in the last year for which figures are available and an indication of what these offences related to.

Mr. John MacKay: The information on refusals of criminal legal aid is not readily available in the form requested. The following tables give details for each Sheriff and District Court for 1984-85. Information about the offences for which legal aid was refused is not available.

Table A
Sheriff Courts

Court	*Number refused*	*Per cent. refused*
Aberdeen	381	13
Airdrie	318	26
Alloa	41	11
Arbroath	14	5
Ayr	109	6
Banff	7	8
Campbeltown	3	12
Cupar	25	8
Dingwall	0	0
Dornoch	3	2
Dumbarton	79	5
Dumfries	84	9
Dundee	672	32
Dunfermline	331	28
Dunoon	15	6
Duns	7	18
Edinburgh	436	8
Elgin	20	4
Falkirk	78	6
Forfar	36	11
Fort William	8	4
Glasgow	409	4
Greenock	29	3
Haddington	47	10
Hamilton	252	9
Inverness	31	3
Jedburgh	27	14
Kilmarnock	843	31
Kirkcaldy	30	3
Kirkcudbright	1	2
Kirkwall	0	0
Lanark	9	3
Lerwick	2	2
Linlithgow	101	9
Lochmaddy	0	0
Oban	12	7
Paisley	474	21
Peebles	8	9
Perth	34	2
Peterhead	9	4
Portree	4	5
Rothesay	0	0
Selkirk	14	8
Stirling	43	5
Stonehaven	36	16
Stornoway	14	8
Stranraer	16	4
Tain	5	2
Wick	3	1

Table B
District courts

Court	*Number refused*	*Per cent. refused*
Aberdeen, City of	99	15
Angus	11	7
Annandale and Eskdale	1	1
Argyll and Bute	8	5
Badenoch and Strathspey	2	17
Banff and Buchan	1	1
Bearsden and Milngavie	1	4
Berwickshire	0	0
Caithness	10	36
Clackmannan	2	3
Clydebank	16	9

Court	Number refused	Per cent. refused
Clydesdale	0	0
Cumbernauld and Kilsyth	22	23
Cumnock and Doon Valley	39	17
Cunninghame	27	3
Dumbarton	4	1
Dundee, City of	241	29
Dunfermline	24	8
East Kilbride	33	12
East Lothian	40	31
Eastwood	0	0
Edinburgh, City of	579	38
Ettrick and Lauderdale	14	23
Falkirk	44	19
Glasgow, City of	173	2
Gordon	7	13
Hamilton	126	24
Inverclyde	36	11
Inverness	3	1
Kilmarnock and Loudoun	43	9
Kincardine and Deeside	1	3
Kirkcaldy	1	(0·4)
Kyle and Carrick	118	25
Lochaber	11	19
Midlothian	14	5
Monklands	94	22
Moray	38	29
Motherwell	166	19
Nairn	2	8
Nithsdale	16	17
North East Fife	10	9
Perth and Kinross	4	1
Renfrew	58	15
Ross and Cromarty	7	7
Roxburgh	3	6
Skye and Lochalsh	2	15
Stewartry	1	3
Stirling	11	9
Strathkelvin	2	1
Sutherland	0	0
Tweeddale	1	17
Western Isles	1	3
West Lothian	22	4
Wigtown	3	4

National Radiological Protection Board

Mr. Donald Stewart asked the Secretary of State for Scotland if any staff of the National Radiological Protection Board are based permanently in Stornoway for the purposes of measuring radioactivity; to what extent the board employs other agencies or persons to carry out sampling work; and if he will make a statement.

Mr. John MacKay: The National Radiological Protection Board has no staff based permanently at Stornoway. The board does not maintain staff or employ other agencies for the purpose solely of undertaking sampling work.

In the context of a nuclear emergency the board has the function of providing information and advice. For this purpose its role includes obtaining, collecting and interpreting measurements of several kinds from many sources so as to build up a complete picture of the distribution of radioactivity resulting from the incident and to assess its radiological consequences.

Water (Lead Content)

Mr. Strang asked the Secretary of State for Scotland what is the best estimate currently available of the cost involved in reducing the lead content of drinking water in Scotland to the limits as set out in European Community directive 80/778 and the information on which this is based.

Mr. Ancram: This information is not available. The reduction of the lead content of drinking water is to be achieved *(a)* by local authorities which do not identify these costs separately from other more general costs incurred in the treatment of water and *(b)* by the gradual elimination of domestic lead plumbing.

Mr. Strang asked the Secretary of State for Scotland what additional resources of finance or manpower he has made available to water authorities in respect of lead contamination of drinking water to *(a)* undertake the programme of lead identification studies and *(b)* ensure Scotland's compliance with European Community legislation; and if he will consider making additional resources available to accelerate the implementation of this legislation.

Mr. Ancram: An appropriate adjustment was made to relevant expenditure for rate support grant in 1982-83 for the costs of lead identification surveys carried out by local authorities. The local authorities responsible for water supply have to implement the EC drinking water directive in addition to their other duties. To take account of this my right hon. and learned Friend plans to allocate extra capital expenditure provision of some £20 million over the three year period from 1986-87 to cover inter alia work in connection with the directive.

Mr. Strang asked the Secretary of State for Scotland when he expects to receive the outstanding results of the programme of lead identification studies undertaken by water authorities in respect of European Community directive 80/778; and when he intends to publish these results.

Mr. Ancram: The outstanding results are expected in July 1986. The lead identification surveys, which the Government arranged for purposes other than its obligations under the EC Directive, comprise one step in a remedial programme which has been running for many years. When the water authorities have taken the appropriate remedial action, further surveys will be necessary to establish its effectiveness. Consideration will be given to the publication of the results at the appropriate stage.

Mr. Strang asked the Secretary of State for Scotland if he will provide details of the Government's programme, together with the proposed timescale, for the reduction of lead contamination of drinking water in Scotland, which accompanied the Government's application to the European Commission for a delay in implementing the terms of European Community directive 80/778.

Mr. Ancram: The Government's application to the European Commission sought a delay of five years to comply with the directive's requirements in respect of lead in drinking water. The application covered Scotland, Wales, Northern Ireland and certain water authority areas in England. Information was provided on the levels of lead in drinking water and on the various contributory factors. The application described the action already taken to improve this aspect of the quality of drinking water and the steps required to identify and remedy the remaining drinking water supplies which contain high lead concentrations, for example by treatment of water,

replacement of supply pipes by water authorities, and replacement of domestic lead plumbing through the home improvement grant scheme. The Commission has not yet reached a decision on the application.

Fine Default

Mr. Bruce asked the Secretary of State for Scotland how many persons in Scotland, separately enumerated for each category of conviction, having been find in the district court on conviction for *(a)* petty assault, *(b)* breach of the peace, *(c)* being drunk and incapable and *(d)* being drunk and disorderly, were subsequently received into prison for the fine default in each of the years from 1978 to 1985; in each case, what percentage of the total number fined for that particular offence that number represented; for the same categories of conviction over the same period, what number and percentage of those were given no time to pay, and of that number, what number and percentage were subsequently received into custody for fine default; and if he will also detail the same information in respect of Aberdeen, Dundee, Edinburgh and Glasgow.

Mr. John MacKay: The available information is set out in the table. Information as to whether persons fined were given time to pay is available only in respect of those received into custody for fine default, not for those whose fines were paid or discharged without recourse to the sanction of imprisonment.

Persons Fined by District Courts on Conviction for Specified Offences who were Received Into Penal Establishments for Fine Default

Offence/Year	*All Fine Defaulters Received*		*Fine Defaulters Received who had not been given Time To Pay*	
	Number	*As Per cent. of all Fined During Year*	*Number*	*As Per cent. of all Fine Defaulters Received During Year*
(a) Scotland				
Petty Assault				
1978	76	2·1	13	17·1
1979	37	0·9	5	13·5
1980	48	1·2	11	22·9
1981	133	2·9	19	14·3
1982	121	2·9	21	17·4
1983	154	3·6	23	14·9
1984	120	2·8	22	18·3
1985	269	6·4	29	10·8
Breach of the Peace				
1978	1,328	6·7	460	34·6
1979	1,265	6·2	419	33·1
1980	1,182	5·5	426	36·0
1981	1,271	5·3	318	25·0
1982	1,697	7·8	368	21·7
1983	1,867	9·4	372	19·9
1984	1,841	11·1	361	19·6
1985	2,563	15·5	293	11·4
Being Drunk and Incapable/Habitual Drunkenness				
1978	738	8·1	361	48·9
1979	605	6·1	298	49·3
1980	606	6·1	343	56·6
1981	579	7·5	249	43·0
1982	647	9·7	259	40·0
1983	643	11·7	242	37·6
1984	497	11·3	231	46·5
1985	553	16·6	151	27·3
Being Drunk and Disorderly				
1978	16	10·3	5	31·3
1979	27	11·7	4	14·8
1980	14	6·0	2	14·3
1981	9	4·7	1	11·1
1982	14	6·4	3	21·4
1983	6	12·0	1	16·7
1984	—	—	—	—
1985	—	—	—	—
(b) Aberdeen District Court				
Petty Assault				
1978	1	0·7	—	—
1979	—	—	—	—
1980	—	—	—	—
1981	6	3·5	—	—
1982	4	2·7	—	—
1983	7	4·6	—	—
1984	3	2·3	—	—
1985	2	0·9	—	—

Offence/Year	All Fine Defaulters Received		Fine Defaulters Received who had not been given Time To Pay	
	Number	As Per cent. of all Fined During Year	Number	As Per cent. of all Fine Defaulters Received During Year
Breach of the Peace				
1978	36	5·5	28	77·8
1979	22	3·1	5	22·7
1980	25	4·0	—	—
1981	22	3·5	2	9·1
1982	39	7·2	2	5·1
1983	23	4·1	2	8·7
1984	40	8·3	3	7·5
1985	45	6·9	6	13·3
Being Drunk and Incapable/Habitual Drunkenness				
1978	24	7·1	8	33·3
1979	21	6·6	10	47·6
1980	15	5·9	2	13·3
1981	15	7·5	5	33·3
1982	34	14·3	11	32·4
1983	27	15·5	5	18·5
1984	3	75·0	—	—
1985	1	16·7	—	—
Being Drunk and Disorderly				
1978	—	—	—	—
1979	1	6·7	—	—
1980	2	20·0	—	—
1981	—	—	—	—
1982	—	—	—	—
1983	—	—	—	—
1984	—	—	—	—
1985	—	—	—	—
(c) Dundee District Court				
Petty Assault				
1978	12	5·0	3	25·0
1979	3	1·1	1	33·3
1980	2	1·0	—	—
1981	13	4·9	2	15·4
1982	10	5·1	—	—
1983	10	5·6	—	—
1984	6	4·7	—	—
1985	8	5·6	—	—
Breach of the Peace				
1978	44	6·6	6	13·6
1979	74	8·1	8	10·8
1980	46	5·3	7	15·2
1981	55	5·9	10	18·2
1982	37	5·4	1	2·7
1983	50	7·4	—	—
1984	26	4·3	—	—
1985	38	6·8	—	—
Being Drunk and Incapable/Habitual Drunkenness				
1978	70	18·3	16	22·9
1979	110	33·1	33	30·0
1980	67	18·0	24	35·8
1981	58	15·1	11	19·0
1982	41	13·0	1	2·4
1983	62	16·4	—	—
1984	23	6·3	1	4·3
1985	38	11·1	—	—
Being Drunk and Disorderly				
1978	13	12·9	5	38·5
1979	19	13·0	3	15·8
1980	9	5·5	1	11·1
1981	7	5·3	1	14·3
1982	7	5·1	1	14·3
1983	3	8·3	—	—
1984	—	—	—	—
1985	—	—	—	—

Offence/Year	All Fine Defaulters Received		Fine Defaulters Received who had not been given Time To Pay	
	Number	As Per cent. of all Fined During Year	Number	As Per cent. of all Fine Defaulters Received During Year
(d) Edinburgh District Court				
Petty Assault				
1978	25	6·8	2	8·0
1979	13	3·5	—	—
1980	17	4·5	3	17·6
1981	3	0·9	—	—
1982	2	0·7	2	100·0
1983	2	0·6	1	50·0
1984	3	0·8	—	—
1985	13	4·1	1	7·7
Breach of the Peace				
1978	167	11·7	28	16·8
1979	129	9·6	5	3·9
1980	149	10·7	35	23·5
1981	177	12·8	33	18·6
1982	154	12·9	28	18·2
1983	147	11·7	26	17·7
1984	149	12·7	16	10·7
1985	120	12·2	14	11·7
Being Drunk and Incapable/Habitual Drunkenness				
1978	76	11·6	24	31·6
1979	43	7·7	1	2·3
1980	58	10·2	12	20·7
1981	119	21·8	23	19·3
1982	84	16·8	16	19·0
1983	63	15·7	12	19·0
1984	65	17·2	21	32·3
1985	24	9·5	7	29·2
Being Drunk and Disorderly				
1978	1	*	—	—
1979	—	—	—	—
1980	—	—	—	—
1981	1	*	—	—
1982	1	20·0	—	—
1983	—	—	—	—
1984	—	—	—	—
1985	—	—	—	—
(e) Glasgow District Court				
Petty Assault				
1978	21	1·9	8	38·1
1979	11	1·0	3	27·3
1980	16	1·4	8	50·0
1981	72	5·2	13	18·1
1982	77	6·1	17	22·1
1983	93	8·6	18	19·4
1984	77	6·8	17	22·1
1985	192	15·2	26	13·5
Breach of the Peace				
1978	780	12·1	383	49·1
1979	679	10·9	357	52·6
1980	661	10·3	334	50·5
1981	683	8·1	221	32·4
1982	1,088	14·8	289	26·6
1983	1,233	19·2	300	24·3
1984	1,232	25·4	296	24·0
1985	2,008	35·9	238	11·9
Being Drunk and Incapable/Habitual Drunkenness				
1978	299	22·3	212	70·9
1979	189	10·9	149	78·8
1980	216	10·6	177	81·9
1981	168	13·3	115	68·5
1982	296	27·8	176	59·5
1983	300	32·1	158	52·7
1984	261	35·2	152	58·2
1985	353	64·5	94	26·6

Offence/Year	All Fine Defaulters Received		Fine Defaulters Received who had not been given Time To Pay	
	Number	As Per cent. of all Fined During Year	Number	As Per cent. of all Fine Defaulters Received During Year
Being Drunk and Disorderly				
1978	1	•	—	—
1979	—	—	—	—
1980	—	—	—	—
1981	—	—	—	—
1982	3	•	2	66·7
1983	1	•	—	—
1984	—	—	—	—
1985	—	—	—	—

• Percentage cannot be calculated as no persons were recorded as fined during the year.

Notes

1. Where multiple offences are involved persons are classified to the highest ranked crime in the standard classification.
2. During 1983 the offence of being drunk and disorderly was deleted from the standard crime classification, following the implementation of the Civic Government (Scotland) Act 1982.

ATTORNEY-GENERAL

Duty Solicitor Scheme

Mr. John Morris asked the Attorney-General which parts of the United Kingdom are not now covered by the duty solicitor scheme; what is the shortfall; and what proposals there are to remedy deficiencies.

The Solicitor-General: The information on the coverage of the 24-hour duty solicitor scheme currently available from the Law Society is given in the table.

The Law Society is now confident that it is making substantial progress in overcoming the initial problems and is considering how best to achieve complete coverage.

Similar information on the magistrates' courts duty solicitor scheme cannot be assembled in the time available, but I will write to the right hon. and learned Gentleman.

24 hour duty solicitor scheme, implementation by region
12 June 1986

	Region	Number of courts	Numbers with schemes	Percentage	Number of busy courts	Numbers with schemes	Percentage
1	London, South	16	12	75	14	11	79
2	South East	43	33	77	9	7	78
3a	South (Bucks, Berks, Oxon)	28	21	75	5	4	80
3b	South (Dorset, Hants)	31	31	100	8	8	100
4a	South West (Devon, Cornwall, West Somerset)	38	11	29	5	4	80
4b	South West (Avon, Glos, East Somer, Wiltshire)	43	22	51	11	9	82
5	South Wales	47	28	60	16	16	100
6a	West Midlands (Birmingham)	34	34	100	5	5	100
6b	West Midlands	15	15	100	8	8	100
7a	North West (Greater Manchester)	15	15	100	15	15	100
7b	North West	17	16	94	7	6	86
8a	North (Cumbria, Northumberland, Tyneside)	25	25	100	7	7	100
8b	North (Cleveland, Durham, North Yorks)	23	12	52	9	7	78
9a	North East (North Yorks, West Yorks)	20	19	95	10	10	100
9b	North East (Humberside, South Yorks)	16	15	94	5	5	100
10a	East Midlands (Derby, Lincoln, Notts)	34	30	88	13	12	92
10b	East Midlands (Leics, Northampton)	18	15	83	6	4	67
11a	East (Cambs, Norfolk, Suffolk, Beds)	40	35	88	9	8	89
11b	East (Hertford, Essex)	27	19	70	12	11	92
12a	North Wales	25	23	92	4	4	100
12b	Cheshire, Salop, Staffs	26	25	96	10	9	90
13	London East	13	4	31	12	4	33
14	London West	16	6	38	14	4	29
15	Merseyside	12	10	83	11	10	91
	Total	622	476	78	225	188	85

FOREIGN AND COMMONWEALTH AFFAIRS

Food Imports from Eastern Europe

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs what is the latest situation concerning food imports from eastern Europe; and if he will make a statement.

Mrs. Chalker: I refer the hon. Member to the reply given by my right hon. Friend the Minister for Health on 9 June, at column *98*, to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory).

Falkland Islands (Chinese Fishing Vessel)

Mr. David Atkinson asked the Secretary of State for Foreign and Commonwealth Affairs if he is now in a position to make a statement on the attack by the Argentine Navy on the Republic of China fishing vessels on 28 May off the Falklands.

Mr. Eggar: The Foreign and Commonwealth Office issued a statement on 29 May about this incident. I am arranging for copies to be placed in the Libraries of both Houses.

Diplomatic Service

Mr. Wigley asked the Secretary of State for Foreign and Commonwealth Affairs what proportion of *(a)* the total diplomatic staff, *(b)* the senior diplomatic staff and *(c)* ambassadors and high commissioners in the British Diplomatic Service abroad are women.

Mr. Eggar: The answers are as follows:

(a) 29·63 per cent., ie 742 women out of 2,504 staff, including clerical, secretarial and security staff, but excluding communications officers;

(b) 4·36 per cent., ie 33 women out of 757 staff in DS grade 6 (First Secretary) and above;

(c) of 129 British ambassadors or high commissioners, at present one is female, another woman officer heads a consulate-general, and there are two other women in the senior grade abroad.

All these figures relate to membership of the Diplomatic Service serving overseas.

University Research Project

Mr. Dickens asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about the cost to the EEC of the research project undertaken by Reading university and the university of Bologna, Italy, over three years involving visits to European centres in order to establish a league table of the prosperity and attractiveness to travellers of those centres.

Mrs. Chalker: In 1983 Reading university was asked by the Commission to undertake a study into urban decline in the European Community. Bologna university was not involved. The study has not yet been published. I will write to my hon. Friend when I have further details of the study and its costs.

Channel Tunnel

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if he secured any further information on the attitude and policy of the new French Government to the Channel tunnel project at his meeting with the French Foreign Minister in France on Monday 9 June; and if he will make a statement.

Mr. Eggar: My right hon. and learned Friend did not discuss the Channel tunnel in detail with the French Minister of Foreign Affairs, M. Raimond, when they met on 10 June. However, the matter was discussed between my right hon. Friend the Secretary of State for Transport and his French colleague on 9 June, when they both welcomed the progress that was being made.

Albania

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to re-open formal diplomatic relations with Albania; and if he will make a statement.

Mr. Renton: We formally notified the Albanian Government in 1980 that we were ready to re-establish diplomatic relations without preconditions. As we have made clear, this offer remains open, but the Albanian Government have regrettably not yet taken it up.

Test Ban Treaty

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what are the implications of the need to continue testing of United Kingdom nuclear weapons for safety and operational reasons for negotiations on a comprehensive test ban treaty; and if he will make a statement.

Mr. Renton: In the continuing absence of a comprehensive test ban (CTB) we will take necessary measures, including periodic testing when appropriate, to ensure that our national deterrent can perform the defensive task for which it is designed. Our commitment to a CTB has always reflected our acceptance of the potential difficulties for the maintenance of effective nuclear forces that such an agreement could create. But that hypothetical issue does not need addressing in the present circumstances.

Chagos Archipelago

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to facilitate the return of the Ilois to the Chagos archipelago; and if he will make a statement.

Mrs. Chalker: No. The islands of the Chagos archipelago are reserved for defence purposes. There is therefore no question of the Ilois being able to return for settlement. In 1982, the United Kingdom Government made an ex gratia payment of £4 million to the Government of Mauritius to set up a trust fund, the express purpose of which was to assist with the resettlement of the Ilois in Mauritius as self-sufficient members of the community. It was warmly welcomed by the Government of Mauritius who, for their part, provided land to the value of £1 million. The Ilois community was fully associated with the agreement, with representatives taking part in the negotiations as members of the all-party Mauritian delgation.

Foreign Citizens (Government Intervention)

Mr. Dicks asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 11 June, *Official Report*, column 309, what criteria Her Majesty's Government use in deciding whether they have any locus standi to intervene on behalf of the citizens of a sovereign independent country; and if he will explain the application of those criteria *(a)* to South Africa and *(b)* Nepal.

Mr. Eggar: Violations of international standards for the protection of human rights are a legitimate matter of international concern, wherever they occur. We make our views know in all appropriate ways. We apply the same criteria to South Africa and Nepal.

Intervention in the sense of exercising diplomatic or consular protection has to be confined to British nationals in accordance with the rules of international law.

European Single Act

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what steps he took, and when, to print or publicise the terms of the decision adopted by Ministers on the occasion of the signing of the European Single Act on 28 February; if this document has been reported under the terms of the Vienna convention on treaties; and whether this decision is intended to form part of the European Single Act.

Mrs. Chalker: I assume the hon. Member refers to "the decision adopted by Ministers, meeting in the framework of European political co-operation, on the occasion of the Single European Act".

The text of this decision was deposited in the Library of the House on 25 April. It was also annexed to the FCO memorandum for the Foreign Affairs Committee on the Single European Act (FCO/FAC/10/86) of 23 April and is published on pages 44 to 47 of the minutes of evidence taken on 7 May 1986 by the Committee. The decision adopted by the Ministers of the member states of the EC meeting in political co-operation sets out procedures for the practical application of certain aspects of title III of the Single European Act. It does not form part of the Single European Act and has not been registered under article 102 of the United Nations charter as an international agreement.

NORTHERN IRELAND

Trains (Bomb Explosions)

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland if he has made representations to the Irish Republic regarding those occasions when bombs have been placed on trains while in the Republic of Ireland and which have subsequently exploded in the United Kingdom; and how many such incidents have occurred.

Mr. Scott: No such representations have been made. Although it is not possible to be certain of the circumstances in every case, I believe that four such incidents have occurred since 1977.

Enter and Search Powers

Mr. Michael Brown asked the Secretary of State for Northern Ireland how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions; and, in each case, if he will indicate the statutory authority under which power is exercised.

Dr. Boyson: The information requested is as follows:

The Fisheries Act (N.I.) 1966—27 Officials.

The Northern Ireland (Emergency Provisions) Act 1978—135 officials acting as Inspectors under the Explosives Act 1875.

The Companies (N.I.) Order 1978—It is not possible to quantify the number of officials involved, since it is a matter of designating an appropriate individual to enter and search in cases as they arise.

Intergovernmental Council (Stalker Report)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland whether he intends the Stalker report to be discussed by the Anglo-Irish Intergovernmental Council; and if he will make a statement.

Mr. Tom King: The report of the inquiry is submitted to the Chief constable of the Royal Ulster Constabulary who in turn forwards it to the Director of Public Prosecutions for Northern Ireland for his directions. The Government, and therefore the Anglo-Irish Intergovernmental Conference, have no locus in this process.

Armagh District Council

Mr. John David Taylor asked the Secretary of State for Northern Ireland what representations he has received seeking the appointment of a commissioner to discharge the functions of Armagh district council, in the light of its failure to appoint staff to the new Armagh city leisure centre; and if he will make a statement.

Mr. Needham: I have received no such representa-tions.

Francis Brodley (Shooting)

Mr. Freeson asked the Secretary of State for Northern Ireland what has been the result of the investigation into the events leading to the shooting of Francis Bradley in County Derry on 18 February 1986; and if he will make a statement.

Mr. Scott [*pursuant to his reply*, 11 June 1986 c. *193*]: Police inquiries have not yet been completed. As soon as they have, a file will be submitted to the Director of Public Prosecutions for his direction. An inquest will also be held.

SOCIAL SERVICES

Mental Patients

Mr. Austin Mitchell asked the Secretary of State for Social Services what information he has as to how many mental patients, in all categories, the North Lincolnshire health authority and the Grimsby health authority are responsible for at present; and as to the authorities' planning forecast of the numbers to 1991.

Mr. Whitney: I regret that the information requested is not available centrally. The hon. Member may therefore wish to contact the chairmen of the two health authorities. The latest centrally held information about the number of resident patients and of attendances is given in the table.

Numbers (Provisional)

	Residents at 31 December 1985	*Attendances at out-patient clinics* during 1985*	*Day care attendances† during 1985*
North Lincolnshire district health authority			
Mental illness hospitals and units	532	5,819	17,177
Mental handicap hospitals and units	293	50	nil
Grimsby district health authority			
Mental illness hospitals and units	28	4,918	8,312
Mental handicap hospitals and units	137	8	nil

* Clinics conducted by the medical staff of the hospital or unit.
† Includes attendances by in-patients at day hospitals.

Mr. Austin Mitchell asked the Secretary of State for Social Services what information he has as to how many hostel places for mental patients the Lincolnshire county council social services department and the Humberside county council social services department currently provide.

Mr. Whitney: The information available centrally does not distinguish between hostels and homes. The latest information available is given in the table. Local authorities also support some residents in private and voluntary accommodation. The information collected centrally is published in "Homes and Hostels for the Mentally Ill and Mentally Handicapped — England". Copies of this publication up to 31 March 1983 have been placed in the Library.

Places in local authority homes and hostels at 31 March 1985 (Provisional)

	Mentally Handicapped Adults	*Children*	*Mentally Ill*
Lincolnshire	197	31	61
Humberside	287	39	23

Psychiatric Nurses

Mr. Austin Mitchell asked the Secretary of State for Social Services what information he has as to how many qualified psychiatric nurses are employed by *(a)* the North Lincolnshire health authority, *(b)* the Lincolnshire county council social services department, *(c)* the Grimsby health authority and *(d)* the Humberside county council social services department.

Mr. Whitney: Information about staff employed by county council social service departments is not held by this Department. The hon. Member may therefore wish to contact the two local authorities concerned for the information requested at *(b)* and *(d)* of his question.

Specific qualifications in mental illness and mental handicap nursing cannot be identified centrally in respect of National Health Service employees. I suggest therefore that the hon. Member may wish to contact the chairmen of the two health authorities concerned direct for the information he seeks.

Numbers of all SR and SE nurses working in the specialties of mental illness and mental handicap in the two health authorities are given in the table. However, it should be noted that the latest available figures are as at 30 September 1984.

Qualified nursing staff in the mental illness and mental handicap areas of work—30 September 1984

Area of work	*Whole-time equivalents North Lincolnshire district health authority*	*Grimsby district health authority*
Mental illness	310	40
Mental handicap	160	*
Total (MI + MH)	470	40

* Less than 5.
Note: All figures independently rounded to nearest 10.
Source: DHSS Annual Census of Non-Medical Manpower.

Mental Health Units

Mr. Austin Mitchell asked the Secretary of State for Social Services what are the projected costs of running the mental health units of the North Lincolnshire health authority and the Grimsby health authority in the current financial year; what are the planned costs in each of the next four financial years; and how these costs are divided between Grimsby and North Lincolnshire.

Mr. Whitney: Responsibility for the provision of local mental health services lies with individual regional and district health authorities. The hon. Member may therefore wish to contact the chairmen of the North Lincolnshire and Grimsby health authorities for the information he requires.

Industrial Diseases

Mr. Kirkwood asked the Secretary of State for Social Services whether there are any forms of repetitive strain injury which are not prescribed industrial diseases; and what criteria are used to exclude any diseases not so prescribed.

Mr. Newton: "Repetitive strain injury" is a term used to describe a range of conditions, some ill-defined, affecting the hand, arm, shoulder or neck, caused or aggravated by repeated movements.

Two forms are prescribed as industrial diseases: cramp of the hand or forearm due to repetitive movements (Prescribed Disease A4) and traumatic inflammation of the sheaths of the hand or forearm or of the associated tendon sheaths (Prescribed Disease A8). Benefit can also be paid for carpal tunnel syndrome if it occurs as a result of Prescribed Disease A8.

The criteria for prescription are set out in section 76(2) of the Social Security Act 1975. A disease may be prescribed if it can be shown on the balance of probabilities to be a risk of a particular occupation and if

individual cases can be attributed with reasonable certainty to the nature of the occupation. The Government are advised on the prescription of industrial diseases by the Industrial Injuries Advisory Council which has concluded that there is insufficient evidence at present to warrant the prescription of any further forms of repetitive strain injury. The council will continue to keep new evidence under review.

AIDS

Mr. Kirkwood asked the Secretary of State for Social Services whether he is yet able to evaluate the effectiveness of the publicity campaign highlighting the dangers of contracting acquired immune deficiency syndrome; whether he will consider extending the campaign to include television advertisements; and if he will make a statement.

Mr. Hayhoe: It is too early to come to firm conclusions as the campaign is still at a very early stage. The use of television for future stages of the campaign is one of a number of options being considered.

Mr. Kirkwood asked the Secretary of State for Social Services what is the proposed extent of the distribution of the Health Education Council leaflet on acquired immune deficiency syndrome.

Mr. Hayhoe: The leaflet will continue to be available to members of the general public by post on request or through local health education units, the family planning information service and other organisations.

Royal National Orthopaedic Hospital

Mr. Kirkwood asked the Secretary of State for Social Services if he will make a statement on his plans for the future of the Royal National Orthopaedic hospital at Stanmore.

Mr. Whitney: As I explained when I wrote to the hon. Member on 9 June, Bloomsbury district health authority is currently reviewing its services. Any proposals which may arise from this review which affect the Royal National Orthopaedic hospital will be put to public consultation before any decision is taken by Ministers.

Local Authority Expenditure

Mr. Frank Field asked the Secretary of State for Social Services if he will indicate the 10 local authorities with the highest social services expenditure and the sums spent by each of the authorities on social services in 1984 and 1985.

Mr. Whitney: The 10 English local authorities with the highest personal social services net current expenditure in the years 1983-84 to 1985-86 are:

£ million cash

	1983-84	*1984-85*	*1985-86**
1. Lancashire	58·1	60·6	66·0
2. Birmingham	55·5	58·6	64·3
3. Nottinghamshire	47·9	50·8	52·5
4. Kent	45·9	50·8	51·9
5. Essex	42·0	45·6	49·9
6. Manchester	40·1	44·3	47·4
7. Hampshire	43·2	45·6	47·2
8. Avon	40·6	42·8	43·8
9. Derbyshire	36·5	39·8	43·7
10. Lambeth	39·0	41·5	43·7

* Budget estimate.

Waiting Lists

Mr. Pike asked the Secretary of State for Social Services if he will give for every regional health authority area the ratio of National Health Service beds to patients on waiting lists in 1979 and each subsequent year.

Mr. Whitney: The ratio the hon. Member asks for would be without significance. The relevant information is given in the table:

Year	*Number of in-patient cases treated*	*Average number of beds occupied daily*	*In-patient waiting list at 30 September*
National Health Service hospitals in England			
			Thousands
1979	5,400·1	293·3	695·7
1980	5,670·0	289·5	635·9
1981	5,759·9	285·9	6·9·4
1982	5,719·6	279·8	725·9
1983	6,018·6	276·4	703·8
1984	6,177·5	269·3	682·6
1985	n.a.	n.a.	661·2
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·0	98·7	91·4
1981	106·7	97·5	89·0
1982	105·9	95·4	104·3
1983	111·5	94·3	101·2
1984	114·4	91·8	98·1
1985	n.a.	n.a.	95·0
National Health Service hospitals in Northern regional health authority			
			Thousands
1979	368·6	20·1	42·3
1980	393·8	20·1	35·5
1981	395·7	19·7	33·1
1982	376·1	19·2	50·0
1983	409·1	19·4	44·5
1984	420·1	19·1	38·8
1985	n.a.	n.a	36·2
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	106·8	98·2	84·0
1981	107·4	95·9	78·3
1982	102·0	96·7	118·1
1983	111·0	95·4	105·2
1984	114·0	95·0	91·7
1985	n.a.	n.a.	85·6
National Health Service hospitals in Yorkshire regional health authority			
			Thousands
1979	433·8	24·3	47·2
1980	456·9	23·8	41·0
1981	465·5	23·3	37·7
1982	454·0	22·4	53·0
1983	490·6	22·1	49·4
1984	499·9	21·4	47·0
1985	n.a.	n.a	45·8
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·3	98·0	86·8
1981	107·3	95·9	79·8
1982	104·7	92·4	112·3
1983	113·1	91·2	104·5
1984	115·2	88·3	99·6
1985	n.a.	n.a	97·0
National Health Service hospitals in Trent regional health authority			
			Thousands
1979	464·9	24·8	66·5

Year	Number of in-patient cases treated	Average number of beds occupied daily	In-patient waiting list at 30 September
1980	497·3	24·8	57·9
1981	511·9	24·6	56·9
1982	505·2	24·1	73·5
1983	543·2	24·0	69·2
1984	557·9	23·5	65·3
1985	n.a.	n.a.	62·2
		Index, 1979 = 100	
1979	100·0	100·0	100·0
1980	107·0	99·8	102·5
1981	110·1	99·0	100·6
1982	108·7	96·9	130·1
1983	116·8	96·6	122·4
1984	120·0	94·7	115·6
1985	n.a.	n.a.	93·5

National Health Service hospitals in East Anglian regional health authority

			Thousands
1979	201·9	10·5	28·0
1980	216·9	10·4	25·8
1981	219·6	10·4	25·6
1982	213·3	10·2	32·9
1983	229·6	10·2	33·1
1984	238·3	10·0	31·1
1985	n.a.	n.a.	27·4
		Index, 1979 = 100	
1979	100·0	100·0	100·0
1980	107·4	99·5	92·1
1981	108·8	99·1	91·5
1982	105·7	97·6	117·7
1983	113·7	97·9	118·3
1984	118·1	95·3	111·4
1985	n.a.	n.a.	97·8

National Health Service hospitals in North-West Thames regional health authority

			Thousands
1979	377·7	23·2	43·6
1980	386·2	22·7	42·5
1981	390·4	22·5	41·6
1982	394·4	21·3	40·8
1983	408·5	20·9	41·0
1984	415·6	20·2	40·0
1985	n.a.	n.a.	40·3
		Index, 1979 = 100	
1979	100·0	100·0	100·0
1980	102·3	97·6	97·4
1981	103·7	96·9	95·4
1982	97·8	91·8	93·6
1983	101·3	89·9	94·1
1984	103·0	87·1	91·8
1985	n.a.	n.a.	92·4

National Health Service hospitals in North-East Thames regional health authority

			Thousands
1979	496·5	24·4	53·1
1980	514·2	23·9	49·0
1981	516·4	23·7	48·5
1982	512·7	24·2	58·2
1983	526·4	23·9	58·9
1984	534·8	23·3	63·6
1985	n.a.	n.a.	66·4
		Index, 1979 = 100	
1979	100·0	100·0	100·0
1980	103·9	98·1	92·3
1981	104·1	97·3	91·3
1982	112·5	99·2	109·5
1983	115·5	98·1	110·8
1984	117·3	95·5	119·6
1985	n.a.	n.a.	125·0

National Health Service hospitals in South-East Thames regional health authority

			Thousands
1979	440·0	23·2	49·9
1980	454·2	22·6	45·5
1981	463·2	22·2	45·6
1982	461·4	21·7	51·8
1983	477·3	21·2	51·6
1984	487·8	20·4	51·6
1985	n.a.	n.a.	50·1
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	103·2	105·9	91·1
1981	105·3	104·0	91·3
1982	105·1	101·5	103·8
1983	108·7	99·4	103·4
1984	111·1	95·6	103·4
1985	n.a.	n.a.	100·4

National Health Service hospitals in South-West Thames regional health authority

			Thousands
1979	299·1	22·1	37·2
1980	307·2	21·6	34·5
1981	311·8	21·2	33·9
1982	315·2	20·4	36·5
1983	329·3	20·0	37·5
1984	338·6	19·4	35·4
1985	n.a.	n.a.	36·8
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	102·5	97·4	92·7
1981	104·0	95·6	91·1
1982	100·9	92·3	97·9
1983	105·5	90·4	100·6
1984	108·4	87·7	95·0
1985	n.a.	n.a.	98·9

National Health Service hospitals in Wessex regional health authority

			Thousands
1979	302·8	15·4	40·2
1980	318·5	15·2	38·2
1981	322·0	15·1	40·3
1982	320·9	14·7	45·3
1983	332·4	14·5	46·9
1984	345·5	14·2	45·2
1985	n.a.	n.a.	42·0
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·2	99·1	94·9
1981	106·4	98·0	100·1
1982	106·0	95·7	112·7
1983	109·8	94·4	116·6
1984	114·1	92·8	112·4
1985	n.a.	n.a.	104·5

National Health Service hospitals in Oxford regional health authority

			Thousands
1979	251·9	10·8	36·2
1980	265·0	10·6	33·9
1981	269·7	10·5	32·6
1982	266·3	10·4	35·7
1983	276·5	10·2	36·1
1984	284·6	10·1	35·3
1985	n.a.	n.a.	33·3
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·2	98·3	93·7

Year	Number of in-patient cases treated	Average number of beds occupied daily	In-patient waiting list at 30 September
1981	107·1	97·2	90·0
1982	105·7	95·9	98·8
1983	109·8	94·5	99·7
1984	113·0	93·1	97·7
1985	n.a.	n.a.	92·0
National Health Service hospitals in South-Western regional health authority			
			Thousands
1979	338·9	20·0	45·9
1980	358·0	19·6	43·7
1981	365·8	19·5	42·9
1982	370·3	19·2	47·1
1983	385·3	18·9	47·5
1984	399·0	18·1	46·6
1985	n.a.	n.a.	43·6
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·6	98·6	95·2
1981	108·0	97·3	93·3
1982	109·3	95·6	102·8
1983	113·7	93·9	103·6
1984	117·7	90·5	101·5
1985	n.a.	n.a.	95·0
National Health Service hospitals in West Midlands regional health authority			
			Thousands
1979	547·8	29·1	87·7
1980	575·1	28·9	80·9
1981	582·9	28·5	80·0
1982	591·1	28·1	86·5
1983	619·7	27·7	83·6
1984	644·2	27·1	83·1
1985	n.a.	n.a.	81·0
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·0	99·3	92·3
1981	106·4	98·2	91·2
1982	107·9	96·7	98·7
1983	113·1	95·3	95·3
1984	117·6	93·3	94·8
1985	n.a.	n.a.	92·4
National Health Service in Mersey regional health authority			
			Thousands
1979	282·6	17·8	38·6
1980	297·5	17·5	34·1
1981	299·3	17·3	33·1
1982	293·9	16·8	37·7
1983	312·6	16·5	34·3
1984	322·1	15·9	31·4
1985	n.a.	n.a.	30·1
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	105·2	98·6	88·3
1981	105·9	97·1	85·8
1982	104·0	94·6	97·7
1983	110·6	92·5	88·9
1984	114·0	89·5	81·4
1985	n.a.	n.a.	78·0
National Health Service hospitals in North-Western regional health authority			
			Thousands
1979	509·0	25·2	71·9
1980	541·8	25·2	65·5
1981	555·0	25·0	60·3
1982	553·7	24·6	69·7
1983	585·7	24·4	62·5
1984	597·8	24·0	59·4
1985	n.a.	n.a.	58·5
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	106·4	100·0	91·1
1981	109·0	99·2	83·7
1982	108·8	97·7	96·9
1983	115·1	97·2	86·9
1984	117·4	95·4	82·6
1985	n.a.	n.a.	81·4
National Health Service hospitals in special health authorities			
			Thousands
1979	84·6	2·5	7·4
1980	87·6	2·5	7·9
1981	90·6	2·5	7·6
1982	91·0	2·5	7·1
1983	92·3	2·5	7·8
1984	91·4	2·5	8·6
1985	n.a.	n.a.	7·7
			Index, 1979 = 100
1979	100·0	100·0	100·0
1980	102·4	99·3	107·3
1981	105·6	99·6	103·3
1982	103·8	99·8	96·0
1983	105·3	99·1	105·6
1984	104·2	97·5	117·3
1985	n.a.	n.a.	104·0

n.a. Not yet available.

Waiting Lists

Mr. Pike asked the Secretary of State for Social Services (1) if he will list in the *Official Report* the number of patients on waiting lists for *(a)* urgent treatment and *(b)* non-urgent treatment on a regional health authority basis for 1979 and each subsequent year, respectively;

(2) if he will list in the *Official Report* the average waiting time for *(a)* urgent treatment and *(b)* non-urgent treatment for each regional health authority for 1979 and each subsequent year, respectively.

Mr. Whitney: I am sorry I cannot give the hon. Member the information in precisely the form he seeks. The information available centrally is given in the table.

Number of Patients on the in-patient waiting list at 30 September

	Urgent			*Non-urgent*		
	All Cases	*Cases on list for more than one month*	*Per cent. of urgent cases on list for more than one month*	*All Cases*	*Cases on list for more than one year*	*Per cent. of non-urgent cases on list for more than one year*
Northern Regional Health Authority						
1979	3,004	2,122	70·64	39,284	10,247	26·08
1980	2,633	1,841	69·92	32,905	8,553	25·99
1981	2,286	1,767	77·30	30,819	8,066	26·17
1982	3,350	2,671	79·73	46,608	10,466	22·46
1983	2,615	2,055	78·59	41,863	12,495	29·85
1984	1,982	1,395	70·38	36,816	10,088	27·40
1985	1,951	1,358	69·61	34,203	6,737	19·70
Yorkshire Regional Health Authority						
1979	1,539	964	62·64	45,684	10,052	22·00
1980	1,504	964	64·10	39,478	9,513	24·10
1981	1,630	1,127	69·14	36,071	8,443	23·41
1982	2,167	1,528	70·51	50,866	10,258	20·17
1983	2,202	1,569	71·25	47,161	11,891	25·21
1984	1,829	1,316	71·95	45,197	11,213	24·81
1985	2,160	1,406	65·09	43,603	9,440	21·65
Trent Regional Health Authority						
1979	5,050	3,768	7·457	61,448	23,012	37·40
1980	4,407	3,331	75·58	53,488	20,601	38·52
1981	4,320	3,130	72·45	52,531	19,476	37·08
1982	5,085	3,702	72·80	68,424	23,732	34·68
1983	4,148	3,019	72·76	65,008	26,353	40·54
1984	3,378	2,111	62·49	61,946	23,676	38·22
1985	3,280	1,898	57·87	58,910	17,743	30·12
East Anglia Regional Health Authority						
1979	3,440	2,452	71·28	24,531	7,449	30·37
1980	2,123	1,358	63·97	23,649	7,024	29·70
1981	2,158	1,377	63·81	23,438	6,108	26·06
1982	3,097	2,116	68·32	29,838	7,594	25·45
1983	2,796	1,894	67·74	30,284	9,960	32·85
1984	2,804	1,894	67·55	28,344	9,335	32·93
1985	2,494	1,790	71·77	24,894	7,508	30·16
North-West Thames Regional Health Authority						
1979	2,720	1,700	62·50	40,875	10,579	25·88
1980	2,611	1,446	55·38	39,865	11,054	27·73
1981	2,739	1,680	61·34	38,848	10,002	25·75
1982	2,473	1,579	63·85	38,312	9,533	24·88
1983	2,368	1,615	68·20	38,647	8,778	22·71
1984	2,534	1,323	52·21	37,488	8,869	23·66
1985	2,696	1,878	69·66	37,569	8,811	23·45
North-East Thames Regional Health Authority						
1979	4,225	2,823	66·82	48,921	11,278	23·05
1980	3,767	2,408	63·92	45,265	12,795	28·27
1981	3,822	2,389	62·51	44,693	11,998	26·85
1982	5,400	3,314	61·37	52,807	12,522	23·71
1983	5,183	3,052	58·88	53,728	13,001	24·20
1984	5,641	3,768	66·80	57,922	13,956	24·09
1985	6,319	4,360	69·00	60,087	15,308	25·48
South-East Thames Regional Health Authority						
1979	3,502	2,501	71·42	46,418	12,549	27·03
1980	3,096	2,023	65·34	42,388	11,986	28,28
1981	3,555	2,376	66·84	42,004	12,025	28·63
1982	4,130	2,827	68·45	47,690	11,075	23·22
1983	3,237	2,089	64·54	48,390	13,367	27·62
1984	3,631	2,446	67·36	48,011	13,064	27·21
1985	3,178	2,178	68·53	46,909	10,474	22·33
South-West Thames Regional Health Authority						
1979	3,907	2,767	70·82	33,337	8,631	25·89
1980	3,318	2,374	71·55	31,222	7,043	22·56
1981	2,715	1,637	60·29	31,208	8,959	28·71
1982	4,395	3,096	70·44	32,061	8,601	26·83
1983	3,735	2,411	64·55	33,735	8,794	26·07
1984	3,358	2,257	67·21	32,031	8,208	25·63

	Urgent			Non-urgent		
	All Cases	Cases on list for more than one month	Per cent. of urgent cases on list for more than one month	All Cases	Cases on list for more than one year	Per cent. of non-urgent cases on list for more than one year
1985	3,676	2,548	69·31	33,076	8,049	24·33
Wessex Regional Health Authority						
1979	3,318	2,040	61·48	36,904	10,377	28·12
1980	3,678	2,529	68·76	34,495	10,558	30·61
1981	4,151	2,976	71·69	36,124	11,776	32·60
1982	4,860	3,716	76·46	40,457	11,765	29·08
1983	4,344	3,256	74·95	42,535	14,319	33·66
1984	3,542	2,131	60·16	41,685	14,358	34·44
1985	3,562	2,325	65·27	38,441	10,065	26·18
Oxford Regional Health Authority						
1979	1,756	1,266	72·10	34,424	11,043	32·08
1980	1,693	1,301	76·85	32,207	11,343	35·22
1981	1,758	1,328	75·54	30,804	11,091	36·01
1982	1,911	1,463	76·56	33,823	11,176	33·04
1983	2,158	1,642	76·09	33,924	11,742	34·61
1984	1,872	1,450	77·46	33,467	9,431	28·18
1985	1,591	1,160	72·91	31,718	8,215	25·90
South-Western Regional Health Authority						
1979	2,712	1,951	71·94	43,164	13,729	31·81
1980	2,936	2,059	70·13	40,755	12,689	31·13
1981	2,444	1,613	66·00	40,377	13,527	33·50
1982	2,828	1,805	63·83	44,314	14,320	32·31
1983	2,331	1,545	66·28	45,203	16,306	36·07
1984	2,976	1,683	56·55	42,951	14,291	33·27
1985	2,251	1,323	58·77	41,388	12,195	29·47
West Midlands Regional Health Authority						
1979	4,651	3,261	70·11	83,042	33,421	40·25
1980	3,831	2,561	66·85	77,106	31,718	41·14
1981	3,664	2,419	66·02	76,288	30,020	39·35
1982	5,071	3,366	66·38	81,473	29,313	35·98
1983	3,872	2,369	61·18	79,726	29,025	36·41
1984	4,309	2,695	62·54	78,810	27,193	34·50
1985	4,805	3,230	67·22	76,169	23,540	30·90
Mersey Regional Health Authority						
1979	3,652	2,898	79·35	34,920	11,596	33·21
1980	2,131	1,441	67·62	31,929	11,321	35·46
1981	2,017	1,368	67·82	31,088	10,474	33·69
1982	2,018	1,418	70·27	35,656	11,630	32·62
1983	1,863	1,211	65·00	32,411	10,927	33·71
1984	1,581	944	59·71	29,819	8,791	29·48
1985	1,428	571	39·99	28,713	7,260	25·28
North-Western Regional Health Authority						
1979	5,007	3,298	65·87	66,941	23,138	34·56
1980	3,493	2,245	64·27	62,020	21,452	34·59
1981	3,629	2,340	64·48	56,623	18,772	33·15
1982	3,991	2,505	62·77	65,706	20,359	30·98
1983	3,233	1,802	55·74	59,292	18,424	31·07
1984	3,237	1,785	55·14	56,180	16,229	28·89
1985	3,442	2,101	61·04	55,023	14,107	25·64
Special health authorities						
1979	603	381	63·18	6,747	431	6·39
1980	506	181	35·77	7,382	343	4·65
1981	386	152	39·38	7,203	168	2·33
1982	590	295	50·00	6,464	558	8·63
1983	549	198	36·07	7,214	538	7·46
1984	350	39	11·14	8,273	655	7·92
1985	236	57	24·15	7,477	775	10·37

Mr. Hickmet asked the Secretary of State for Social Services if he will list those hospitals which have reduced their waiting lists most in the last three years; and if he will make a statement about Scunthorpe general hospital's performance in this regard.

Mr. Whitney [*pursuant to his reply*, 3 June 1986, c. *533-36*]: I regret that the percentage decreases in waiting lists given in column 3 of table 1 were incorrect. The amended figures are given in the table.

Table 1

Waiting list: Ranking of district health authorities by percentage decrease of total waiting list cases between September 1984 and 1985

District health authority	*1984*	*1985*	*Percentage Change*	†*Rank*
Scunthorpe	4,654	2,962	−36·4	1
Newham	1,560	999	−36·0	2
Macclesfield	1,767	1,152	−34·8	3
Darlington	2,073	1,360	−34·4	4
Grimsby	1,783	1,204	−32·5	5
Tunbridge Wells	7,071	4,859	−31·3	6
Salisbury	5,903	4,261	−27·8	7
Rugby	589	432	−26·7	8
Norwich	10,677	7,926	−25·8	9
South Sefton	5,150	3,850	−25·2	10
Bromsgrove and Redditch	2,647	1,991	−24·8	11
North West Durham	847	643	−24·1	12
Frenchay	5,846	4,483	−23·3	13
The Maudsley Hospital	148	115	−22·3	14
Moorfields Eye Hospital	1,720	1,350	−21·5	15
Aylesbury Vale	5,111	4,024	−21·3	16
Victoria*	2,739	2,180	−20·4	17
North West Hertfordshire	2,409	1,930	−19·9	18
Coventry	8,106	6,501	−19·8	19
Northallerton	627	506	−19·3	20

* Now part of Riverside district health authority.
† Out of 191 district health authorities.

Health Authorities (Tendering)

Mr. Chope asked the Secretary of State for Social Services if he will make a further statement on the progress made by health authorities on competitive tendering in the fields of catering, cleaning and laundry and give details in each case as to whether contracts have been awarded in-house or to outside contractors.

Mr. Dobson asked the Secretary of State for Social Services (1) if he will publish in the *Official Report* details of the progress made by district health authorities in putting their services out to tender in the manner of the answer given on 14 April, *Official Report*, columns 273-280;

(2) if he will name for each tendering exercise of which his Department is aware and which was completed since his answer of 14 April, *Official Report*, columns 279-286, the health authority, the hospital concerned and the successful tenderer.

Mr. Fowler: I shall let my hon. Friend and the hon. Member have a reply as soon as possible.

Carers

Mr. John Mark Taylor asked the Secretary of State for Social Services (1) what information he has on the physical, emotional and mental stresses imposed upon carers called upon to cope with a range of serious or terminal medical conditions and to perform duties normally performed by nurses in hospitals;

(2) if any official survey has recently been undertaken to establish the actual cost per annum to the carer in caring for a relative, and the cost saved by the state per annum for a similar service in a hospital bed.

Mr. Whitney: The kind of care provided by relatives, friends or neighbours is invaluable, and is not directly comparable with other ways of looking after dependent people. The Department funded a review by the social policy research unit at York university of research on informal care published in 1985 and entitled "With Due Care and Attention". This drew attention to the physical, emotional and mental stresses to which carers are subject.

The Department is now funding a further programme of research at York university which should provide some information about the financial aspects of caring. In addition, questions in the 1985 general household survey and the current major Office of Population censuses and Surveys' survey of disability will provide a considerable body of new information about various aspects of caring.

Family Planning

Mr. Hargreaves asked the Secretary of State for Social Services, further to his reply of the 22 May to the hon. Member for Hyndburn, *Official Report*, column 312, what stipulations or conditions were attached to the grants and support for work on natural methods of family planning.

Mr. Whitney: The Catholic Marriage Advisory Council is the only organisation whose grant is specifically for natural family planning work. The grant is subject to the standard conditions attaching to all departmental grants provided under section 64 of the Health Services and Public Health Act 1968.

National Insurance and Child Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will state, pursuant to the answer given to the hon. Member for Birkenhead on 3 June on the effect of certain changes in rate of national insurance and child benefit, what the cost would be of answering this question; and if he will detail how this sum is arrived at.

Mr. Newton: The cost of estimating the effects on the numbers claiming supplementary benefit and housing benefit of the changes in rate of national insurance benefit and child benefit is calculated to be about £600 to £700 in staff and computer time. However, I have reconsidered the matter and concluded that it would nevertheless be appropriate to seek to provide the information the hon. Member seeks. This will be done as soon as possible.

Vaccine Damage Payments

Mr. Ashley asked the Secretary of State for Social Services how many applications for vaccine damage payments have been rejected on the grounds that they were made after the expiry date.

Mr. Whitney: At 30 May 1986, the latest date for which information is available, 49 claims were rejected because the claim was made outside the six-year time limit laid down by the Vaccine Damage Payments Act 1979.

Single Payments (Claims)

Mr. Home Robertson asked the Secretary of State for Social Services how many claims for single payments are currently being processed at the Edinburgh East office of his Department; how many of those claimants have been waiting for more than 18 days; what advice is being given to claimants about the likely waiting time; what steps are being taken to clear the backlog; and how this situation at Edinburgh East compares with rest of Scotland and the United Kingdom.

Mr. Major: Single payment claims from 2,590 claimants are currently being processed at the Edinburgh East office; and about 1,900 of these have been waiting for more than 18 days for a decision. Comparable figures for the rest of Scotland and the United Kingdom are not available.

There has been an upsurge in single payment claims resulting from a take-up campaign mounted by Lothian council. Urgent claims being given priority and claimants are being advised individually that there are likely to be longer than usual delays in processing single payments claims. Extra staff are being deployed on this work by diverting them from other duties within the office and extra help is being provided by the regional office.

Hospitals (Funding)

Mr. Austin Mitchell asked the Secretary of State for Social Services if he will publish in tabular form the information he has on the amount of funding each hospital in *(a)* Greater London and *(b)* Southampton has received in each of the last six years; (i) in real terms, (ii) in nominal terms and (iii) the percentage change each year.

Mr. Hayhoe: I regret that information in the form requested is not held centrally and could not be assembled without disproportionate expense.

Health Authorities (Staff)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each health authority wholly or partly within Greater London, and for each year since 1979, the number of *(a)* medical staff, *(b)* nursing staff and *(c)* ancillary staff, expressing these figures both in terms of actual numbers of employees and in whole time equivalent terms; and if he will also give these figures adjusted to account for the change in the working week.

Mr. Hayhoe: I regret that I cannot give the hon. Member all the information he seeks. Information for district health authorities prior to 1982 is not comparable with the information for later years, due to the 1982 National Health Service reorganisation. Senior medical and dental staff have their contracts with regional health authorities or teaching districts only, and are not therefore allocated to individual districts. The figures in the tables show medical and dental staff at regional health authority level only.

No adjustment to the nursing and midwifery figures is necessary, since the tables do not cover the period between 1979 and 1981 when the change in working hours took place.

Directly employed medical and dental staff in hospitals and community health service in four Thames regions† at 30 September each year*

	1982		*1983*		*1984*		*1985*	
	Number	*Whole time equivalent*	*Number*	*Whole time equivalent*	*Number*	*Whole time equivalent*	*Number*	*Whole time equivalent*
North West Thames	3,782	3,144	3,842	3,177	3,807	3,158	3,885	3,234
North East Thames	4,673	3,919	4,693	3,931	4,689	3,956	4,819	4,041
South East Thames	3,865	3,197	4,024	3,362	3,995	3,357	3,905	3,300
South West Thames	2,943	2,336	2,941	2,341	2,907	2,305	2,989	2,384

Source: Department of Health and Social Services annual census of medical manpower (SR7).

* Figures include Locums but exclude Hospital Practitioners and part-time medical and dental officers (clinical assistants).

† Excludes figures for the Special Health Authorities for the London Post Graduate Teaching Hospitals.

Numbers and Whole-time Equivalents‡

	September 1982				*September 1983*				*September 1984*				*Provisional September 1985*			
	*Nursing and Midwifery**		*Ancillary staff*		*Nursing and Midwifery**		*Ancillary staff*		*Nursing and Midwifery**		*Ancillary staff*		*Nursing and Midwifery**		*Ancillary staff*	
Greater London																
Total	81,020	71,000	38,690	32,550	80,240	70,660	37,410	31,460	81,230	70,000	33,330	27,980	81,200	68,330	29,390	24,630
Barnet DHA	3,840	3,220	1,620	1,340	3,400	2,940	1,570	1,290	3,390	2,900	1,390	1,140	3,460	2,930	1,380	1,080
Harrow DHA	1,720	1,430	790	670	1,590	1,350	780	660	1,630	1,350	710	600	1,830	1,390	590	470
Hillingdon DHA	2,580	2,120	1,030	830	2,460	2,090	1,010	800	2,600	2,050	940	740	2,670	2,020	900	720
Hounslow and Spelthorne DHA	2,690	2,210	1,280	970	2,790	2,210	1,200	910	2,870	2,150	1,080	820	2,520	1,950	610	510
Ealing DHA	1,990	1,770	850	750	2,040	1,810	780	670	2,090	1,900	700	590	2,040	1,850	560	470
Brent DHA	2,320	2,120	1,030	870	2,190	2,010	990	840	2,350	2,100	940	810	2,280	2,040	880	750
Barking, Havering and Brentwood DHA	3,860	3,290	1,710	1,320	3,830	3,290	1,640	1,260	3,920	3,320	1,510	1,160	3,930	3,340	1,440	1,080
Enfield DHA	1,690	1,430	780	620	1,860	1,480	750	610	2,110	1,490	670	540	1,920	1,530	630	510
Haringey DHA	1,570	1,380	800	650	1,690	1,430	750	620	1,880	1,420	640	520	1,490	1,310	560	450
Redbridge DHA	1,870	1,550	760	590	1,840	1,630	770	580	2,170	1,660	700	530	3,140	1,620	640	480
Waltham Forest DHA	3,120	2,780	1,570	1,300	3,180	2,740	1,470	1,220	3,120	2,650	1,280	1,060	3,190	2,550	1,140	930
Bexley DHA	1,970	1,660	900	780	1,930	1,690	880	680	1,870	1,600	800	600	1,800	1,580	780	570
Greenwich DHA	2,740	2,310	1,730	1,310	2,660	2,240	1,580	1,220	2,500	2,110	1,320	1,020	2,630	2,180	1,290	1,000
Bromley DHA	3,190	2,380	1,230	1,000	3,000	2,400	1,170	950	2,890	2,300	1,020	840	2,810	2,200	580	480

	September 1982				September 1983				September 1984				Provisional September 1985			
	Nursing and Midwifery*		Ancillary staff		Nursing and Midwifery*		Ancillary staff		Nursing and Midwifery*		Ancillary staff		Nursing and Midwifery*		Ancillary staff	
Croydon DHA	2,890	2,540	1,380	1,130	2,840	2,510	1,310	1,090	2,780	2,470	1,190	980	2,810	2,500	1,050	860
Kingston and Esher DHA	1,890	1,650	800	700	1,970	1,660	780	670	1,940	1,650	710	600	1,960	1,640	670	570
Richmond, Twickenham and Roehampton DHA	1,720	1,470	700	570	1,920	1,590	690	550	1,790	1,510	600	480	1,810	1,470	420	340
Merton and Sutton DHA	3,360	2,960	1,510	1,220	3,270	2,890	1,440	1,160	3,180	2,790	1,280	1,040	3,250	2,840	990	810
Paddington DHA	2,390	2,140	1,090	980	2,400	2,160	1,060	960	2,400	2,140	1,000	890	2,590	2,150	870	780
Hammersmith and Fulham DHA	1,800	1,630	860	770	1,710	1,590	830	750	1,710	1,580	760	700	1,780	1,660	730	670
Victoria DHA	2,970	2,830	1,380	1,260	3,020	2,830	1,350	1,230	3,110	2,850	1,200	1,090	2,850	2,730	900	840
Hampstead DHA	2,410	2,220	1,330	1,220	2,380	2,220	1,310	1,190	2,360	2,190	1,130	1,040	2,360	2,180	1,060	960
Bloomsbury DHA	4,040	3,850	2,240	2,100	4,070	3,820	2,150	2,020	4,080	3,800	1,950	1,830	3,440	3,330	1,720	1,610
Islington DHA	2,130	1,680	950	850	2,030	1,690	910	810	1,770	1,640	820	720	1,870	1,590	760	670
City and Hackney DHA	3,000	2,870	1,570	1,450	3,000	2,860	1,540	1,430	3,170	2,930	1,420	1,310	3,190	2,730	1,250	1,160
Newham DHA	1,450	1,330	850	660	1,420	1,300	740	580	1,550	1,330	650	500	1,590	1,290	610	470
Tower Hamlets DHA	2,490	2,400	1,320	1,100	2,580	2,440	1,290	1,070	2,500	2,360	1,150	960	2,590	2,330	1,030	870
West Lambeth DHA	2,760	2,600	1,640	1,460	2,850	2,620	1,590	1,410	2,730	2,530	1,420	1,260	2,810	2,570	1,350	1,200
Camberwell DHA	2,600	2,180	1,360	1,130	2,450	2,160	1,270	1,060	2,730	2,180	980	820	2,990	2,210	930	780
Lewisham and North Southwark DHA	4,180	3,710	1,930	1,560	4,090	3,650	2,150	1,730	4,330	3,840	1,910	1,530	4,070	3,540	1,790	1,440
Wandsworth DHA	3,810	3,310	1,710	1,480	3,800	3,390	1,680	1,440	3,740	3,220	1,500	1,270	3,540	3,090	1,290	1,090

Source: DHSS Annual census of non-medical manpower (SR7)

Notes:

* Includes bank and agency nursing staff. In 1982 bank nurses were from magnetic tape, since then they have been from manual returns.

† On 1 April 1984 Operating department assistants were classified from the Ancillary to the P & T staff group. These figures will reflect this change.

‡ All figures independently rounded to the nearest 10.

Health Authorities (Expenditure)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each health authority wholly or partly within Greater London and for each year since 1979 *(a)* the total joint finance expenditure and *(b)* the total overspend or underspend for joint finance.

Mr. Hayhoe: The tables show total joint finance expenditure by area health authorities for the years 1978-79 to 1981-82, and by district health authorities for the years 1982-83 to 1984-85.

I regret that information on overspending and underspending of joint finance at area and district level is not held centrally. The hon. Member may wish to approach the chairmen of the Thames regional health authorities for further information.

Joint finance expenditure

Area health authorities	*1978-79 £000*	*1979-80 £000*	*1980-81 £000*	*1981-82 £000*	*District health authorities*	*1982-83 £000*	*1983-84 £000*	*1984-85 £000*
Barnet	324	395	493	761	Barnet	592	617	478
Brent and Harrow	320	379	500	590	Harrow	332	412	389
					Brent	451	500	548
Ealing, Hammersmith and Hounslow	540	667	911	1,045	Hounslow and Spelthorne	685	516	494
					Ealing	610	533	624
Hillingdon	153	187	182	358	Hillingdon	234	469	429
Kensington, Chelsea and Westminster	338	261	575	827	Paddington	309	304	297
					Hammersmith and Fulham	301	296	360
					Victoria	338	398	418
Barking and Havering	244	273	450	602	Barking, Havering and Brentwood	921	808	817
Camden and Islington	350	477	643	823	Hampstead	249	87	435
					Bloomsbury	403	417	241
					Islington	479	401	528
City and East London	561	855	680	1,420	City and Hackney	637	460	220
					Newham	707	413	647
					Tower Hamlets	358	547	651
Enfield and Haringey	400	490	698	740	Enfield	477	483	436
					Haringey	631	434	475
Redbridge and Waltham Forest	341	433	772	692	Redbridge	386	378	585
					Waltham Forest	484	466	500
Greenwich and Bexley	189	431	657	191	Greenwich	437	452	356
					Bexley	354	275	367
Bromley	239	217	362	458	Bromley	498	404	401
Lambeth, Southwark and Lewisham	408	655	1,018	1,924	West Lambeth	560	682	532
					Camberwell	689	603	792
					Lewisham and North Southwark	645	799	978
Croydon	241	245	415	471	Croydon	597	753	751
Kingston and Richmond	147	219	348	406	Kingston and Esher	409	411	431
					Richmond, Twickenham, Roehampton	254	252	224
Merton, Sutton and Wandsworth	513	571	609	1,173	Wandsworth	520	462	606
					Sutton and Merton	451	541	581

Notes:

1. The figures are derived from health authorities' summarised accounts.
2. The 1982 reorganisation of the National Health Service resulted in substantial and complex boundary changes and changes in management responsibility, and it is therefore not possible to make direct comparisons between the pre- and post-1982 authorities.

Mr. Dobson asked the Secretary of State for Social Services (1) if he will give, drawing from the regional plans for each health authority wholly or partly within Greater London and for each year up to 1994, the proposed expenditure per head of population *(a)* in cash terms and *(b)* in real terms;

(2) if he will give, drawing from the regional plans, for each year up to 1994 the proposed increase or decrease in expenditure expressed *(a)* in cash terms and *(b)* in real terms; and if he will give in each case the proportion of the change attributable to (i) national Resource Allocation Working Party and (ii) subregional resource allocation policies.

Mr. Hayhoe: Regional strategic plans do not contain year by year detail of the kind requested; they are intended to provide a broad framework, within which there remains some flexibility to respond to changing circumstances. The plans themselves are not rigid, and regions continue to review and update them as necessary. The hon. Member may wish to approach the chairmen of the Thames regional health authorities for such information as is available.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each health authority wholly or partly within Greater London and for each year since 1979 the expenditure per head of population *(a)* in cash terms *(b)* deflated by the gross domestic product deflator and *(c)* deflated by the National Health Service deflator.

Mr. Hayhoe: Expenditure per head of population is not a good basis for comparison between health authorities: it does not reflect the greater demands made on health services by the very young and the elderly, or differing patterns of morbidity. Nor does it take account of patient flows across health authority boundaries, which are particularly significant in a metropolitan area. The information requested would therefore be of limited value and disproportionately costly to prepare.

For resource allocation purposes, population figures are weighted to take account of these factors, and adjusted to reflect cross boundary flows. Expenditure in proportion to districts' weighted population provides a better measure for comparison both between authorities and over time. I regret that this information is not available centrally in respect of health authorities in Greater London, but the hon. Member may wish to approach the chairmen of the Thames regional health authorities for further details.

The London postgraduate special health authorities do not serve a specific resident population.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each health authority wholly or partly within Greater London the percentage change in expenditure since 1979 expressed in *(a)* cash terms, *(b)* deflated by the gross domestic product deflator and *(c)* deflated by the National Health Service deflator; and if he will give in each case the proportion of the change attributable to: (i) national resources allocation working parties and (ii) subregional resource allocation policies.

Mr. Hayhoe: The table shows expenditure by area health authorities and board of governors for the London postgraduate teaching hospitals in 1978-79 and by district health authorities and special health authorities in 1984-85 in cash terms. This information, expressed at 1978-79 price levels as measured by the gross domestic product deflator, was given in my reply to the hon. Member on 17 December 1985 at columns *145* to *148*. As I explained to the hon. Member in my reply to him on 23 May at columns *385-386*, it is not appropriate to revalue district health authority expenditure by reference to centrally assessed movements in pay and prices.

I regret that, because of the boundary changes and changes in management responsibility which resulted from the 1982 reorganisation of the National Health Service, it is not possible to make direct comparisons between authorities' expenditure over this period.

It is not possible from the information available centrally to determine how far changes in expenditure are attributable to national and sub-regional resource allocation decisions respectively, or to other factors such as the level of transfers from revenue to capital. The hon. Member may like to seek further information from the regional chairmen concerned.

Revenue expenditure out-turns cash £ thousand

Area Health Authorities	*1978-79*	*District Health Authorities*	*1984-85*
Barnet	33,681	Barnet	64,054
Brent and Harrow	43,366	Harrow	36,643
		Brent	49,465
Ealing, Hammersmith and Hounslow	76,165	Hounslow and Spelthorne	50,207
		Ealing	39,602
		Hammersmith and Fulham	49,685
Hillingdon	26,152	Hillingdon	52,147
Kensington, Chelsea and Westminster	89,844	Paddington	59,191
		Victoria	72,733
Barking and Havering	33,411	Barking/Havering/Brentwood	68,424
Camden and Islington	82,975	Hampstead	65,016
		Bloomsbury	116,946
		Islington	44,185

Area Health Authorities	*1978-79*	*District Health Authorities*	*1984-85*
City and East London	92,218	City and Hackney	78,683
		Newham	34,180
		Tower Hamlets	64,748
Enfield and Haringey	37,989	Enfield	33,473
		Haringey	38,127
Redbridge and Waltham Forest	47,376	Redbridge	35,347
		Waltham Forest	59,072
Greenwich and Bexley	50,204	Bexley	34,445
		Greenwich	57,826
Bromley	27,090	Bromley	51,244
Lambeth, Southwark and Lewisham	125,568	West Lambeth	76,426
		Camberwell	61,440
		Lewisham and North Southwark	104,312
Croydon	28,085	Croydon	56,569
Kingston and Richmond	24,366	Kingston and Esher	39,062
		Richmond/Twickenham/ Roehampton	33,189
Merton, Sutton and Wandsworth	91,192	Wandsworth	87,365
		Sutton and Merton	63,699

Boards of Governors	*1978-79*	*Special Health Authorities*	*1984-85*
Hospital for Sick Children	13,936	Hospital for Sick Children	27,908
National hospitals for nervous diseases	8,559	National hospitals for nervous diseases	16,308
Royal National Throat, Nose and Ear hospital	3,880	—	—
Bethlem Royal and Maudsley hospitals	7,456	Bethlem Royal and Maudsley hospitals	16,845
Moorfields Eye hospital	6,372	Moorfields Eye hospital	12,344
St. John's hospital for Diseases for the Skin	1,496	—	—
National heart and chest hospitals	12,947	National heart and chest hospitals	27,650
Royal national orthopaedic hospital	5,889	—	—
St. Peter's hospitals	3,550	—	—
Royal Marsden hospital	9,676	Royal Marsden hospital	19,892
Queen Charlotte's hospital for women	4,921	Hammersmith and Queen Charlotte's hospital for women	22,878
Eastman dental hospital	1,937	Eastman dental hospital	4,503

Notes:

1. The figures are derived from health authorities' summarised accounts.
2. The 1982 re-organisation of the National Health Service resulted in substantial and complex boundary changes and changes in management responsibility. In addition to these changes there was a major restructuring of the boards of governors for the London postgraduate teaching hospitals as follows:
   (a) Bloomsbury health authority now manages the Royal National Throat, Nose and Ear hospitals, the Royal National Orthopaedic hospitals and St. Peter's hospitals;
   (b) West Lambeth health authority now manages St. John's hospital for Diseases of the Skin;
   (c) Hammersmith hospital was given special health authority status.

Administrative and Clerical Establishments

Mr. Dobson asked the Secretary of State for Social Services what measures have been taken by his Department and by regional health authorities to ensure that controls over districts' administrative and clerical establishments do not lead to the use of agency staff, nursing assistants or nursing auxiliaries to fulfil these functions.

Mr. Hayhoe: The control and deployment of administrative and clerical staff within districts is a matter for regional and district health authorities to determine in the light of local circumstances. The overall reduction in agency staff, nursing assistants and nursing auxiliaries since 1981 suggests that management costs control has not led to the use of these staff to fulfil functions proper to administrative and clerical grades.

Mr. Dobson asked the Secretary of State for Social Services what measures have been taken *(a)* by his Department and *(b)* by regional health authorities to control districts' administrative and clerical establishments since 1979.

Mr. Hayhoe: Nationally, health authorities have been told to examine critically administrative and clerical

staffing levels and, as they have done, to concentrate resources on staff providing direct care to patients. In the current year, they have been asked to exercise restraint pending a review of administrative and clerical staff being undertaken by the Management Board in conjunction with regional general managers. Management costs have also been controlled and overall authorities achieved a 14 per cent. reduction between 1980 and 1985. Locally, a variety of control measures have been employed. In some regions, for example, targets for administrative and clerical staffing levels have been agreed based on districts' short term programmes. Performance indicators are also used by regions and districts to investigate their performance.

Health Authorities (Beds)

Mr. Dobson asked the Secretary of State for Social Services if he he will give, drawing from the regional plans, for each health authority wholly or partly within Greater London and for each year up to 1994, the number of beds proposed for *(a)* acute patients, *(b)* the elderly, *(c)* the mentally ill and *(d)* paediatric cases.

Mr. Whitney: The information requested is not available. The Thames regions' strategic plans are not yet all approved and discussions on the numbers of beds required in each specialty are still taking place between the respective regional and district health authorities.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each health authority wholly or partly within Greater London and for each year since 1979 the number of beds for *(a)* acute patients, *(b)* the elderly, *(c)* the mentally ill and *(d)* psychiatric cases.

Mr. Whitney: I shall let the hon. Member have the available information as soon as possible.

Health Authorities (Staff)

Mr. Dobson asked the Secretary of State for Social Services if he will give, drawing from the regional plans for each health authority wholly or partly within Greater London, and for each year up to 1994, the proposed number of *(a)* medical staff, *(b)* nursing staff and *(c)* ancillary staff, expressing these figures both in terms of actual numbers of employees and in whole-time equivalent terms.

Mr. Hayhoe: I regret that the information requested is not available. The Thames regions' strategic plans are not yet all approved and discussions on the manpower proposals are still taking place between regional and district health authorities.

Gynaecological Treatment

Mr. Dobson asked the Secretary of State for Social Services how many of the women awaiting in-patient gynaecological treatment in England are infertility cases.

Mr. Whitney: I am sorry I cannot give the hon. Member the information in precisely the form he seeks. In 1984, the latest year for which figures are available centrally, in-patient cases admitted from the waiting list and treated for female infertility represented an estimated 4·3 per cent. of all cases admitted from the waiting list and discharged from gynaecology departments during the year. On 30 September 1984 there were 91,680 women on in-patient waiting lists for gynaecology in England.

Supplementary Benefit

Mr. Marlow asked the Secretary of State for Social Services what is his best estimates as to the number of foreigners in receipt of supplementary benefit and the cost in the following categories *(a)* Irish, *(b)* other non-United Kingdom citizens of the EEC, *(c)* Commonwealth, *(d)* other foreigners and *(e)* total.

Mr. Major: Details of the citizenship or nationality of persons claiming supplementary benefit are not relevant to the determination of claims and are not, therefore, generally collected. Some statistics are available for nationals of the European Community—excluding Eire — to whom 1,078 awards were made in 1985. The circumstances of claimants vary widely and it is not possible to estimate costs.

Retirement Pensioners

Mr. Shersby asked the Secretary of State for Social Services what estimate he has of the proportion of state retirement pensioners, including the self-employed, who are also in receipt of occupational pensions.

Mr. Newton: Our best estimate is for the year 1984, when about 37 per cent. of individuals in receipt of state retirement pension were also in receipt of an occupational pension. No sufficiently reliable information is available for those people who were self-employed and had made private pension arrangements.

School Leavers (Supplementary Benefit)

Mr. Frank Field asked the Secretary of State for Social Services under what circumstances pupils leaving school after the Easter holiday may become eligible for supplementary benefit before the first Monday in September of the same year.

Mr. Newton: The entitlement to supplementary benefit of individual school leavers is a matter for the independent adjudication authorities. The chief adjudication officer's guidance on this issue is in circular S 51/86, a copy of which is in the Library.

NHS Staff (Pay)

Mr. Dobson asked the Secretary of State for Social Services what is *(a)* the total cost of the latest pay awards to National Health Service staff and *(b)* the total additional sum made available to health authorities to meet these costs.

Mr. Hayhoe: The cost to the hospital and community health services in England in 1986-87 of the pay awards to review body staff announced by my right hon. Friend the Prime Minister on 22 May at columns *239* to *244* will be £282 million.

Extra funding of £50 million has been added to health authorities' cash limits for 1986-87 and authorities are also benefiting from the fall in general inflation. Forecast general inflation was 4·5 per cent. when public expenditure provision for 1986-87 was decided, but the budget forecast was 3·75 per cent. which is equivalent to a saving for health

authorities in England of some £20 million on their non-pay expenditure. The Government's assessment is that the additional £50 million funding, together with the fall in inflation, will enable health authorities to pay for the review body awards without adversely affecting patient services.

Severe Weather Payments

Mr. Hancock asked the Secretary of State for Social Services how many claims for severe weather payments were made in 1985 and 1986 to date in his Department's office in Portsmouth; and how many claims were successful.

Mr. Major: Separate information on the number of claims for exceptionally severe weather payments is not collected, but a total of 861 payments were made by the Portsmouth local office in 1985. Information for 1986 is not yet available. When the period during which payments are likely to be made is over, local offices will be asked to make a return so that the total number of payments made can be calculated.

Gypsy Rose Quinn

Mr. Clay asked the Secretary of State for Social Services what information was given to the press by his Department concerning the benefits case of Gypsy Rose Quinn prior to 17 May.

Mr. Major: Requests for information were received from the press following Mrs. Quinn's appearances at the Birmingham magistrates court on 27 March 1986 and at the Birmingham Crown court on 16 May 1986. The information given was restricted to confirming factual details of the offences with which Mrs. Quinn had been charged.

NHS Staff

Mr. Dobson asked the Secretary of State for Social Services if he will place in the Library the report on reducing National Health Service administrative staff, discussed at a meeting of regional general managers.

Mr. Hayhoe: The NHS Management Board is currently undertaking a review of administrative and clerical staff in conjunction with regional general managers, and has had several discussions with them to decide how best to maximise the efficiency of administrative staffing. They have considered various discussion papers, but I am not aware of any discussions on a report on reducing administrative staff.

"Guide to Healthy Eating"

Mr. Freeson asked the Secretary of State for Social Services what steps will be taken to ensure that there are sufficient quantities of the Health Education Council's booklet, "Guide to Healthy Eating", to meet the demand from health education officers in health authorities.

Mr. Whitney: More than 1 million copies of the booklet are being printed, and each health education unit has been allocated 3,000 initially. Health education officers will be able to obtain further copies, if required.

Kidney Donation

Mr. Dalyell asked the Secretary of State for Social Services if he will make a statement on the outcome of the recent visit by the Parliamentary Under-Secretary of State, the hon. Member for Wycombe (Mr. Whitney) to the United States of America to discuss the possible lessons for the United Kingdom of the operation in certain states of an opting-out kidney donation scheme.

Mr. Whitney: I am not aware that an opting-out kidney donation scheme has been introduced in any American state. On my recent visit to the United States, I discussed with health officials in New York the effects of the "required request" system of organ donation which has been introduced by law in certain states. This system requires hospital administrators to ensure that the relatives of all suitable organ donors are asked for their consent that the organs be removed. I was informed that in the short time in which "required request" has been in operation no major difficulties in such a system have emerged and organ donation rates have increased.

We are examining with representative bodies of the medical profession the possibility of introducing a voluntary code of practice in this country to achieve the same effect.

McColl Report

Mr. Allen McKay asked the Secretary of State for Social Services when he expects to conclude his consultations on recommendations on the McColl report and to reach a decision as to which recommendations to implement; and if he will make a statement.

Mr. Newton: Interested bodies were invited to comment on the recommendations in the McColl report by 30 April 1986. To date about 50 responses have been received, and these are being considered. I asked the National Health Service Management Board to report on the major issues raised by the report by the middle of the year. I hope to be able to announce decisions on these major issues before the summer recess.

Supplementary Benefit Claimants

Mr. Meacher asked the Secretary of State for Social Services if he will list the number of supplementary benefit claimants at *(a)* Westfield House, Law Russell House and Leeds Road, Bradford, and *(b)* nationally, for the latest available year.

Mr. Major: The numbers of people receiving supplementary benefit from the three specified Bradford offices on 6 May 1986, together with the national figure for the same date are as follows:

	Number
Westfield House (Bradford West)	13,755
Law Russell House (Bradford South)	13,510
Leeds Road (Bradford West)	14,065
Nationally	5,085,627

Source: 100 per cent. count of live cases in action.

Housing Benefit

Mr. Meacher asked the Secretary of State for Social Services if he will list the number of, average amount paid,

and annual cost of, housing benefit paid to *(a)* 16-year-olds, *(b)* 17-year-olds and *(c)* 18-year-olds, respectively, for the latest available year.

Mr. Major: This information is not collected centrally, and, I regret, could be obtained only at disproportionate cost.

Family Credit Scheme

Mr. Squire asked the Secretary of State for Social Services if he will make a statement on the outcome of his discussions with various bodies on the operation of the proposed family credit scheme.

Mr. Newton: An announcement about the outcome of the reconsideration of the payment mechanism for family credit will be made as soon as possible.

Consultants

Mr. Rowe asked the Secretary of State for Social Services whether he is satisfied that the arrangements for ensuring that part-time consultants in the National Health Service work the full number of their contractual hours for the National Health Service are effective.

Mr. Hayhoe: I refer my hon. Friend to my reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 19 December 1985 at column *312*.

Mr. Rowe asked the Secretary of State for Social Services how many consultants working in the National Health Service are on part-time contracts; and what proportion of the total that number represents.

Mr. Hayhoe: The numbers of medical and dental consultants working in the National Health Service in England at 30 September 1985 are set out in the table:

Medical and Dental Consultants at 30 September 1985: England

	Number	*Percent.*
All staff	13,969	100
National Health Service Paid Staff		
Whole-time staff	6,472	46
Part-time staff	5,840	42
Honorary staff	1,657	12

Mr. Victor Paige

Mr. Dobson asked the Secretary of State for Social Services on what terms Mr. Victor Paige terminated his contract as chairman of the National Health Service Board of Management.

Mr. Fowler: [*pursuant to the reply*, 9 June 1986, c. *96*]: There were no particular provisions, such as severance pay, for termination.

Mr. Dobson asked the Secretary of State for Social Services on what terms Mr. Victor Paige was appointed as chairman of the National Health Service Management Board.

Mr. Fowler [*pursuant to the reply*, 9 June 1986, c. *96*]: Mr. Paige was appointed chairman of the National Health Service Management Board with the rank of second permanent secretary on a three-year contract beginning 2 January 1985.

Mr. Dobson asked the Secretary of State for Social Services how much Mr. Victor Paige has been paid in respect of the current financial year.

Mr. Fowler [*pursuant to the reply*, 9 June 1986, *96*]: Mr. Paige has been paid a gross salary of £12,737 in the current financial year and a further £7,388 will be due to him at the end of June. This includes an amount in lieu of the entitlement he would have received under the principal civil service pension scheme.

Mr. Dobson asked the Secretary of State for Social Services if Mr. Victor Paige's present termination of his contract was subject to any penalty clause; and if he will make a statement.

Mr. Fowler [*pursuant to the reply*, 9 June 1986, c. *96*]: The contract provided for 12 months notice of termination on either side in normal circumstances, but it has been agreed that the requirement of notice should be waived in these particular circumstances.

Mr. Dobson asked the Secretary of State for Social Services what assistance Mr. Victor Paige obtained from public funds with his private health insurance and his pension arrangements; and if he will make a statement.

Mr. Fowler [*pursuant to the reply*, 9 June 1986, c. *96*]: Mr. Paige received no help towards any private health scheme. He made his own pension arrangements and was compensated in the normal way for loss of benefits he would have received under the principal civil service scheme. This took the form of a taxable addition to salary.

TRANSPORT

A19 Viaducts

Mr. Wrigglesworth asked the Secretary of State for Transport how long he expects the A19 viaducts over the River Tees to continue in use.

Mr. Peter Bottomley: The A19 viaduct over the River Tees was designed to last for 120 years and I have no reason to suppose that, with proper maintenance, this will not prove to be the case.

BR (Track Safety)

Mr. Pawsey asked the Secretary of State for Transport what assessment the railways inspectorate has made of the safety hazard arising from debris on and adjacent to British Rail tracks arising from operational works; if any action has been proposed by the inspectorate in this regard; and if he will make a statement.

Mr. David Mitchell: Any question of debris on or adjacent to British Rail tracks is in the first instance a matter for the British Railways Board. The railway inspectorate, in the course of its inspections and visits, has on occasion had to draw the board's attention to the need to remove unwanted material from alongside the line. Such material can hazard trains if it is too close to the track, can hazard staff if it obstructs lineside walkways or refuges, and can provide vandals with a means of deliberately obstructing the railway.

Motor Cycling

Mr. Sheerman asked the Secretary of State for Transport what conclusions he has reached regarding the effect on casualties of the package of motor cycling measures introduced under the Transport Act 1981; and if he will make a statement on future plans.

Mr. Peter Bottomley: Our review of the 1981 package suggests that there has been a positive impact on the development of training facilities and expertise, on the number of learner riders taking training and on the pass rate for the L (ie part II) test. But the number of learner riders taking formal training and passing both parts of the test still represents only a minority of the total. As yet there has been no measurable effect on the motor cycle casualty rate.

I intend very shortly to seek the views of outside organisations and individuals on how further progress can be achieved.

Helicopters

Mr. Sheerman asked the Secretary of State for Transport if he will ask the Civil Aviation Authority to introduce regulations to prevent helicopters flying over sea conditions outside their demonstrated sea-keeping capability.

Mr. Michael Spicer: Aviation safety regulation is solely the statutory responsibility of the Civil Aviation Authority. I will ask the chairman of the authority to write to the hon. Member.

Motor Cycle Licences

Mr. Sheerman asked the Secretary of State for Transport if he will indicate the number and proportion of motor cycle provisional licences issued from 1 October 1982 which have been *(a)* replaced by a full licence and *(b)* allowed to lapse.

Mr. Peter Bottomley: The range of statistical information available from records held at DVLC Swansea has recently been reviewed following replacement of obsolete equipment. Historical information is not fully available in the form requested.

Current records as at 2 June 1986 show:

	Number
First time holders of provisional motor cycle licence entitlement	*600,064
Number in second or subsequent period of entitlement	11,955
Number of records with expired motor cycle entitlement in the one year off period	*141,943
Number of provisional licence holders who have not applied to renew entitlement after one year off period	*89,014
Motor cycle test passes in 1985	45,483
Motor cycle test passes between 1 October 1982 and 31 December 1984	99,000

* Licence holders who pass a car test within their two-year entitlement gain unlimited provisional motor cycle licence entitlement.

Channel Tunnel

Mr. Teddy Taylor asked the Secretary of State for Transport what subjects relating to the Channel tunnel project were discussed at his meeting with the French Transport Minister in London on Monday 9 June; and if he will make a statement.

Mr. David Mitchell: My right hon. Friend and the French Transport Minister discussed the Channel tunnel project in general terms (amongst other subjects) and welcomed the progress which was being made.

Bus Services (Disabled Persons)

Mr. Mason asked the Secretary of State for Transport what steps he is taking to seek to ensure that special disabled bus services equipped with wheelchair facilities will continue to operate following bus service deregulation legislation; and if he will make a statement.

Mr. Moore: It is for the relevant local authorities to decide what transport provision they wish to secure for members of the public who are disabled, in the light of the duty to have regard to such needs imposed on them by the Transport Act 1985.

M20 (Service Areas)

Mr. Speed asked the Secretary of State for Transport if he will make a statement on the current plans for the provision of motorway service areas on the M20 motorway.

Mr. Peter Bottomley [*pursuant to the reply*, 23 May 1986, c. *341*]: I have today announced the selection of sites for motorway service areas on the M20 at Hollingbourne to the east of Maidstone and at Westenhanger at junction

11. In addition, my predecessor agreed to a proposal for a service area at West Kingsdown, which is one of the subjects of a current planning inquiry.

AGRICULTURE, FISHERIES AND FOOD

EC Trade Barriers

Mr. Lyell asked the Minister of Agriculture, Fisheries and Food if he will list the internal barriers to trade within the European Economic Community affecting those industries and trades for whose interests his Department has responsibility.

Mr. Gummer: I will reply as soon as possible.

Intervention Board (Headquarters)

Mr. Silvester asked the Minister of Agriculture, Fisheries and Food when he intends to announce his decision on a new site for the European Economic Community Intervention Board headquarters.

Mr. Jopling: I am currently considering with the other Agriculture Ministers whether to propose such a move and I hope to make an announcement shortly.

Food and Environment Protection Act (Regulation)

Mr. John Carlisle asked the Minister of Agriculture, Fisheries and Food when he expects to lay the Food and Environment Protection Act regulations before the House.

Mrs. Fenner: We hope to be able to lay before the House at the end of this month draft regulations under part III of the Food and Environment Protection Act 1985.

THE ARTS

Galleries (Indemnity)

56. **Mr. Powley** asked the Minister for the Arts if he will make a statement on the operation of the revised formula for indemnity to galleries which regularly lend works of art for exhibition without requiring commercial insurance by the borrower.

Mr. Luce: I am happy to say that agreement has been reached on a revised formulation of the arrangements for considering compensation in the event of items on loan which are lost or damaged. I understand that in consequence those national galleries which have been reluctant to lend to local museums are now willing to resume the practice.

Young People (Musical Instruments)

57. **Mr. Meadowcroft** asked the Minister for the Arts if he has any plans to establish a fund to enable young people to borrow musical instruments after leaving school.

Mr. Luce: No.

News International

58. **Mr. Cartwright** asked the Minister for the Arts what representations he has received concerning bans on the provision of News International newspapers in public libraries; and what action he proposes to take on such complaints.

Mr. Luce: I have received complaints that 15 library authorities have ceased to make News International newspapers available to the public. I have written to the authorities concerned to ask them whether the complaints are true and, if so, how they reconcile their action with their duties under the Public Libraries and Museums Act 1964. I will consider what further action to take in the light of their replies.

Sponsorship

59. **Mr. Patrick Thompson** asked the Minister for the Arts if he will make a statement on the future of the business sponsorship incentive scheme in 1987-88.

Mr. Luce: The business sponsorship incentive scheme has introduced £7 million of new money, and I can confirm that it will continue in 1987-88.

60. **Mr. Chapman** asked the Minister for the Arts what is his latest estimate of the amount and ratio of Government sponsorship of the arts of and to business and private sponsorship.

Mr. Luce: Central Government support for the arts in 1986-87 is estimated at some £320 million, and business sponsorship at some £20 million, a ratio of 16:1.

63. **Mrs. Virginia Bottomley** asked the Minister for the Arts what action his Department is taking to prepare for payroll giving to support for the arts.

Mr. Luce: I greatly welcome the opportunities for benefit to the arts from the proposals for payroll giving in the last Budget. Plans are now being drawn up by the Inland Revenue for a scheme to enable employees to make gifts to charity which qualify for tax relief and which can be deducted from their pay directly by employers. It is intended to have the scheme operational at the start of the next tax year. As well as commenting on draft proposals, the Office of Arts and Libraries plans to issue in due course a leaflet for arts organisations which will help them make the most of the new scheme.

Museums and Galleries

61. **Mr. Greenway** asked the Minister for the Arts if he will make a statement on the Government's response to the first report of the Education, Science and Arts Committee on revised financing arrangements for the national museums and galleries.

Mr. Luce: Yes. I announced on 10 February my intention to consult the Education, Science and Arts Committee, the Public Accounts Committee and the Treasury and Civil Service Committee about my proposals to implement the recommendations from the Education Committee's earlier report that the national museums and galleries should be given greater incentives both to maximise their receipts from non-Exchequer sources, and to use those receipts more effectively. My proposals were to allow the institutions greater freedom to retain their receipts and to give them the facility to carry over money from one financial year to the next, linked to a change in their financing arrangements to grant-in-aid. I have now consulted the Committees and am grateful for their helpful response. Revised Estimates will be presented to the Parliament tomorrow which will give effect to the change retrospectively from 1 April. There will be some minor

reallocation between the cash limits announced in the Main Estimates, for the reasons given in my earlier statement.

The new cash limits are as follows:

	Original Cash limit £	*Revised Cash limit* £	*Change*
British Museum	13,425,000	13,345,000	(80,000)
Imperial War Museum	4,444,000	4,497,000	53,000
National Gallery	6,686,000	6,771,000	85,000
National Maritime Museum	4,773,000	4,462,000	(311,000)
National Portrait Gallery	1,819,000	1,814,000	(5,000)
Science Museum	9,133,000	9,171,000	38,000
Tate Gallery	5,649,000	5,782,000	133,000
Victoria and Albert Museum	10,935,000	11,023,000	88,000
Wallace Collection	907,000	906,000	(1,000)
Total	57,771,000	57,771,000	Nil

I have noted the comments of the Education, Science and Arts Committee and the Public Accounts Committee and will keep these in mind in monitoring the operation of the new arrangements.

65. **Mr. Hayes** asked the Minister for the Arts what is his response to the Education, Science and Arts Committee's report on museums and galleries' receipts.

Mr. Luce: I refer my hon. Friend to the answer I gave today to my hon. Friend the Member for Ealing, North (Mr. Greenway).

Charitable Status

62. **Mr. Freud** asked the Minister for the Arts what representations he has had from the Arts Council and other bodies about the operation of charitable status in the subsidised theatre; and if he will make a statement.

Mr. Luce: I am aware of the strong concerns that have been expressed about the treatment of charities, but have received no specific representations about the operation of charitable status in the subsidised theatre.

My right hon. Friend the Chancellor of the Exchequer stated on 4 June that he does not now intend to proceed with two features of the original proposals in the Finance Bill — the distinction between "private indirect" and other charities; and the possible restriction of tax relief where the charity accumulates income.

Foreign Visitors

64. **Mr. Jessel** asked the Minister for the Arts what information he has about the trend in attendances by foreign visitors at arts functions over the past two months.

Mr. Luce: No overall figures are as yet available, but I know there is concern about falling American attendances. I hope our United States friends will be reassured that Britain is a very safe and welcoming country, with an excellent range of arts facilities and events.

NATIONAL FINANCE

Exchange Rate

Mr. Austin Mitchell asked the Chancellor of the Exchequer what has been the change in the real exchange rate of the £ sterling based on *(a)* gross domestic product deflators and *(b)* relative export prices since the fourth quarter of 1976 against the United States dollar, the Japanese yen and each of the European Economic Community six currencies for the latest period for which figures are available; and if he will publish the current nominal exchange rate and the average rate for the latest convenient period.

Mr. Ian Stewart: The *Official Report* is not a statistical abstract. The information requested is available in the normal sources.

Mr. Foulkes asked the Chancellor of the Exchequer if he will list the exchange rate between the £ sterling and the European currency unit on 1 January and 1 July for each year since 1980.

Mr. Ian Stewart: The information requested is as follows:

£ ecu exchange rate

	1 January	*1 July*
1980	0·6465	0·6048
1981	0·5475	0·5504
1982	0·5677	0·5527
1983	0·6003	0·5831
1984	0·5707	0·5939
1985	0·6144	0·5650
1986	0·6153	

Where these dates fall on a weekend or a bank holiday the rate for the last working day preceding the day in question is given.

Oil Revenue

Mr. Livsey asked the Chancellor of the Exchequer what proportion of gross national product is represented by oil revenue as of the latest date that figures are available; and if he will make a statement.

Mr. Norman Lamont: It is estimated that, in 1985-86, Government revenues from oil and gas production in the United Kingdom and United Kingdom continental shelf amounted to 3¼ per cent. of gross national product. The prospects for North Sea revenues were discussed in the "Financial Statement and Budget Report" and in the Treasury press notice "Government Revenues from the North Sea" published on Budget day.

Income Tax Fraud

Mr. Hancock asked the Chancellor of the Exchequer how many income tax fraud investigators there are for the Portsmouth area; and how many people in the Portsmouth area have been successfully prosecuted in each of the last five years, indicating the total amounts involved for the same period.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Tax Units

Mr. Meacher asked the Chancellor of the Exchequer how many tax units aged *(a)* under 16 years, *(b)* 16 years, *(c)* 17 years and *(d)* 18 years, respectively, made use of their personal allowance; and what was the average tax allowance used in *(a)* to *(d)* for the latest available year.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

EEC (Freedom of Movement)

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Governmen towards, the harmonisation of income taxation provision with respect to freedom of movement for workers within the Community; and if he will take steps to publicise these proposals in the United Kingdom.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

EEC (Alcoholic Drinks)

Mr. Deakins asked the Chancellor of the Exchequer what discussion have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, harmonisation of the structure of excise duties on alcoholic drinks; and if he will take steps to publicise these proposals in the United Kingdom.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

EEC (Mineral Oils)

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards a proposal concerning the harmonisation of the structure of excise on mineral oils; and if he will take steps to publicise it in the United Kingdom.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

EEC (Excise Duties)

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, proposals for a Council decision providing for a stand-still ensuring no introduction of new excise duties which give rise to border formalities; and if he will take steps to publicise them in the United Kingdom.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

DEFENCE

Small Businesses

Mr. Ashdown asked the Secretary of State for Defence if he will list those measures introduced by his Department within the past year and intended to be of benefit to small businesses.

Mr. Lee: The Ministry of Defence has continued to encourage small firms to bid for defence contracts and to make realistic proposals and submit tenders even where they have not previously thought of competing. A new edition of the booklet "Selling to the MOD" is in preparation; and steps are being taken to advertise major contracts and invitations to tender at the earliest possible stage to encourage more firms to bid for defence contract and subcontract work. A code of practice on subcontracting has been agreed with the CBI. All these measures are of benefit to small businesses. Further measures are under consideration.

Nuclear Weapons

Mr. Best asked the Secretary of State for Defence what further research he intends undertaking into high frequency seismographic verification of nuclear weapons tests.

Mr. Lee: I refer my hon. Friend to the reply given to the hon. Member for Edinburgh, East (Mr. Strang) by the then Minister of State for Defence Procurement on 3 March 1986 at column *71*.

Mr. Canavan asked the Sectetary of State for Defence what steps he has taken to monitor public opinion on the Government's policy on nuclear weapons.

Mr. Stanley: The Ministry of Defence monitors public opinion on nuclear defence and arms control issues by, for example, reference to the results of public opinion polls and to the representations received on these topics. It has not carried out any recent opinion polls on nuclear matters.

Exercise Lionheart

Sir Antony Buck asked the Secretary of State for Defence whether he has completed his assessment of Exercise Lionheart and of its cost.

Mr. Stanley: I informed the House in October 1984 that I was placing in the Library an unclassified initial assessment of Exercise Lionheart and that I would later make a report on the exercise which would include a statement on its costs.

Detailed analysis of the exercise has not led us to change our immediate impressions. It has provided welcome confirmation that our general planning in crucial areas is soundly based, and no major new factors arose. At the same time, the exercise enabled us to identify weaknesses in a number of areas which are now being addressed by the staffs concerned. There was no doubt about the benefits to be gained from holding an exercise on such a scale, and we aim to hold further such exercises in the future.

The final assessment of the cost to the United Kingdom of Exercise Lionheart is just over £29.5 million, some elements of which would have been incurred even had the exercise not taken place. Details of the costs are as follows:

	£ million
Personnel costs and services	7·1
Stores and supplies	7·3
Movements	9·5
Compensation and miscellaneous	5·6
	29·5

USSR (Nuclear Warheads)

Mr. Ashdown asked the Secretary of State for Defence by what percentage he calculates the Union of Soviet

Socialist Republics has, over the past five years, increased the number of strategic nuclear warheads operationally deployed at any given time.

Mr. Stanley: On the assumption that all the missiles concerned are MIRV-ed to their maximum capability, the number of Soviet strategic warheads operationally deployed is estimated to have increased by over 20 per cent. in the past five years.

UDR (Form)

Mr. McNamara asked the Secretary of State for Defence what is the number of the standard form completed by members of the Ulster Defence Regiment when questioning persons at road blocks checkpoints in Northern Ireland; and if he will place copies of the forms in the Library.

Mr. Stanley: There is no standard form to be completed by soldiers of the UDR or the Regular Army when questioning persons at road blocks or check points in Northern Ireland. However, a standard form is issued for use specifically when a search of a vehicle is made, and a copy has been placed in the Library.

Ethnic Monitoring

Mr. Tony Banks asked the Secretary of State for Defence (1) if he will make it his policy to introduce ethnic monitoring into the defence forces; and if he will make a statement;

(2) when he expects to announce a decision as to whether or not he intends to introduce ethnic monitoring into the defence forces.

Mr. Freeman: No final decision has been taken on the introduction of ethnic monitoring for the armed forces. Any decision will be announced in due course.

South Africa

Mr. Tony Banks asked the Secretary of State for Defence what contacts have been made during the past three years by military attachés from the South African embassy with personnel *(a)* in his Department and *(b)* in the defence forces.

Mr. Stanley: During the past three years, South African attachés, as part of organised groups of attachés from other Foreign and Commonwealth countries, have made some 30 visits to defence establishments and attended six defence-related social or ceremonial functions. Also, in November 1983 the air attaché visited the search and rescue establishments at Pitreavie and Bulmer, and in May 1984 the military attaché visited the Army school of physical education. Other contacts with Ministry of Defence or other service personnel are not recorded, but are infrequent.

Merlin Mortar

Mr. Soames asked the Secretary of State for Defence if he will make a statement on the development of the Merlin mortar programme.

Mr. Lee: Merlin originated as a private venture project by British Aerospace to produce an 81 mm terminally-guided anti-tank mortar bomb. The Ministry of Defence subsequently shared with the company funding of work to take the project to a stage where informed decisions could be taken on whether to proceed with full development and subsequent production. Following this work we have concluded that, despite the potential benefits of Merlin, it could not be given sufficient operational priority to find a place in the equipment programme. British Aerospace is aware of this decision.

Corps Airborne Radar

Mr. Soames asked the Secretary of State for Defence what is the reason for the delay in the programme for the corps airborne stand-off radar.

Mr. Lee: Evaluation of the results of the initial studies undertaken during 1984 revealed a number of problems and it took longer than expected to determine how best to proceed. However, proposals have now been made to initiate further studies which are expected to start in the near future.

Buccaneer Aircraft

Mr. Soames asked the Secretary of State for Defence when he expects to complete the up-date of the Buccaneer aircraft.

Mr. Lee: On present plans the up-date will be completed late in 1989.

SP70 Howitzer

Mr. Soames asked the Secretary of State for Defence when the SP70 155 mm self-propelled howitzer was originally due to enter service; what is the reason for the delay; and how much the programme is over the original budget.

Mr. Lee: The SP70 155 mm self-propelled howitzer, a collaborative project involving the United Kingdom, Germany and Italy, was originally due to enter service around the beginning of the 1980s. The slippage in the development programme predominantly reflects design changes needed for the equipment to meet the demanding operational requirements. To date the United Kingdom's costs in real terms are just under 50 per cent. above the estimate made when the phase B development began around the end of 1977.

Torpedo Programme

Mr. Soames asked the Secretary of State for Defence (1) when the Tigerfish heavyweight torpedo was originally due to enter service; what are the reasons for the delay; and how much the programme is over its original budget;

(2) if he will make a statement on the torpedo programme.

Mr. Lee: I shall answer shortly.

LAW 80 System

Mr. Soames asked the Secretary of State for Defence when the LAW 80 anti-tank system was due to enter service; what is the reason for the delay; and how much the programme is over its original budget.

Mr. Lee: Delays in the development of LAW 80, which was originally intended to enter service in 1983, stem fundamentally from the changes which had to be

introduced during the course of development to enable the system to defeat the likely future tank threat, recently reassessed as containing significant improvements in frontal armour. The technical difficulties of meeting the increased threat proved to be greater than anticipated in a system which still had to remain portable by one man. In addition, there have been a number of management and contractual difficulties. As a result the total development costs of the project have doubled in real terms since the completion of project definition in 1978.

Endeavour Rifle

Mr. Soames asked the Secretary of State for Defence why is the L85A1 Endeavour rifle late entering service.

Mr. Lee: I shall answer shortly.

Offshore Patrol Vessel

Mr. Soames asked the Secretary of State for Defence when he expects to order a new offshore patrol vessel, OPV III.

Mr. Lee: I have nothing to add to the statement made by my hon. Friend the then Minister on 13 June 1985. OPV III was considered but did not secure a place in the programme and we have no plans at present to proceed any further with this proposal.

CRSP Store Contract

Mr. Campbell-Savours asked the Secretary of State for Defence what developments have taken place in the investigation of Dowty Rotol's management of the CRSP store contract.

The Solicitor-General: I have been asked to reply.

The Director of Public Prosecutions has considered the case relating to the management of Dowty Rotol of the CRSP store, and he has decided that the public interest does not require any further action to be taken.

CIVIL SERVICE

Scientists (Recruitment)

72. **Mr. Hayes** asked the Minister for the Civil Service what action he is taking to improve the recruitment of scientists into the Civil Service.

Mr. Luce: The Civil Service Commission and Departments continue to mount a persistent and sustained recruitment effort to attract scientists into the service. In addition to the recent improvements in scientists' pay, the Treasury is carrying out consultations on substantial improvements in starting salaries for graduates entering the science group with good honours degrees.

Additionally my Department is undertaking a review of the structure of the science group. A major concern will be to devise a structure and career development package to make the science group more attractive.

Secondments

73. **Mrs. Virginia Bottomley** asked the Minister for the Civil Service how many secondments there were from the Civil Service to outside organisations for the last year for which the information is available; and what was the comparable figure in 1979.

Mr. Luce: In 1985 there were 679 secondments out of the Civil Service of which 229 were to industry and commerce. In 1979 there were 131 secondments to industry and commerce, but no figures are held centrally about secondments to other bodies in that year.

There has been a target of 200 secondments in each direction with industry and commerce since 1977. Despite the difficulties in arranging them, I have recently agreed a new target of 250 secondments out to industry and commerce, to be achieved over the next few years. The target of 200 inward secondments remains.

Performance-related Pay

74. **Mr. Powley** asked the Minister for the Civil Service what action his Department is taking regarding the introduction of performance-related pay.

Mr. Luce: A performance bonus scheme covering a limited number of grades was introduced last year on an experimental basis. This is planned to run for three years, during which it will be carefully monitored and evaluated. A report on its first year of operation will be available soon.

My right hon. Friend the Prime Minister also announced on 22 May 1986 that the Government have decided in principle to introduce discretionary pay for grades 2 and 3. The details are currently being worked out, and staff interests will be consulted.

Rayner Reviews (Savings)

75. **Mr. Murphy** asked the Minister for the Civil Service what have been the total savings in public expenditure to date as a result of the Rayner scrutinies.

Mr. Luce: Cumulative savings of £950 million are attributable to Rayner scrutinies.

Civil Servants (Days Off)

Mr. Peter Bruinvels asked the Minister for the Civil Service (1) on what basis civil servants were given the day off on Friday 23 May; and if he will make a statement;

(2) what is Her Majesty's Government's policy on the granting of general days off in addition to normal leave entitlements to civil servants; and if he will make a statement;

(3) if he will list the days normally granted to civil servants as holiday in addition to statutory holidays and their leave entitlements; and if he will make a statement.

Mr. Luce: Her Majesty's Government's policy on Civil Service holidays is the same as that of successive Administrations over many years.

In addition to statutory holidays and annual leave entitlement, civil servants are allowed one day's holiday for the Sovereign's birthday which, by royal decree, is taken whenever possible on the Friday before the spring bank holiday; half a day on Maundy Thursday afternoon; and one other day at the Christmas-new year period. The timing of these holidays may vary in Scotland and Northern Ireland.

Written Answers to Questions

Tuesday 17 June 1986

AGRICULTURE, FISHERIES AND FOOD

Bees

Mr. Stern asked the Minister of Agriculture, Fisheries and Food if he has any plans to relax regulations in relation to bees.

Mrs. Fenner: No. These regulations were introduced to protect bee health in the United Kingdom. Relaxation of them, particularly of the import controls, could be potentially more damaging to our bee population than the effects of recent bad weather.

Adjurants

Sir Richard Body asked the Minister of Agriculture, Fisheries and Food whether there is risk to human health when adjurants are mixed with pesticides.

Mrs. Fenner: The pesticides safety precautions scheme (PSPS) requires manufacturers of substances which are intended to be added to pesticides to submit them for pre-marketing scrutiny on the grounds that their properties may be of a nature that alters, to an unacceptable degree, the characteristics of the pesticide formulations to which they are added. This might be by facilitating absorption through human skin or by altering the uptake by crops and fate as residues in food. Clearance is not given if there is evidence of risk to human health from the recommended uses.

Radiation

Mr. Robert Banks asked the Minister of Agriculture, Fisheries and Food if he will set out the value and amount of food crops destroyed on his instigation arising from the effects of radiation following the Chernobyl disaster.

Mrs. Fenner: Extensive monitoring carried out by my Department has shown levels of radiation following the Chernobyl disaster to be well below those at which any action would need to be considered. We have not therefore instructed any food crops to be destroyed.

CHURCH COMMISSIONERS

Questions

Mr. Peter Bruinvels asked the hon. Member for Wokingham, as representing the Church Commissioners, how many *(a)* written and *(b)* oral questions the Church Commissioners have answered in each of the past 10 Sessions and in the current Session to date.

Sir William van Straubenzee: The Commissioners do not have a comprehensive record for the whole of the period in question. However, since 1979, they have answered the following number of questions:

Session	*Oral*	*Written*
1979-80	5	3
1980-81	1	1
1981-82	5	16
1982-83	9	8
1983-84	21	28
1984-85	17	19
1985-	26	31

TRADE AND INDUSTRY

Inward Investment

Mr. Geoffrey Robinson asked the Secretary of State for Trade and Industry, pursuant to the Minister of State's reply to the hon. Member for Nottingham, South (Mr. Brandon-Bravo) on 14 May, *Official Report*, column *481*, what is his Department's estimate of the number of existing jobs in established firms likely to be displaced or threatened by the inward investment decisions notified to the Invest in Britain Bureau in the years 1980 to 1985.

Mr. Peter Morrison: My Department has no estimate of the number of jobs that may have been displaced or threatened as a result of inward investment decisions. However, it places great emphasis on minimising the effects of inward investments on established firms. Failure to attract many of these investors to the United Kingdom could have had a significant effect on British industry placing a large number of jobs in jeopardy.

Radio Spectrum

Mr. Richard Page asked the Secretary of State for Trade and Industry what steps have been taken to establish and appoint members to a committee to review the allocation of spectrum for defence purposes as recommended in the Merriman report for the independent review of the radio spectrum 30-960 MHz Cmnd. 9000.

Mr. Pattie: Further to my reply of 5 March 1985, at columns 448-49, the allocation of spectrum for defence purposes will be systematically reviewed on a continuing basis by an independent committee, reporting jointly to my right hon. Friends the Secretaries of State for Defence and for Trade and Industry. The frequency band 470 MHz-3400 MHz will be the subject of the first stage of the review. The chairman of the defence spectrum review committee for this first stage will be Sir Kenneth Corfield. There will be two other members, Major-General Archibald Birtwistle and Mr. David Withers. It is hoped that the committee will be able to commence its work immediately and will complete the first stage in about 18 months. The first stage of the defence spectrum will run concurrently with a more general review of the allocations within the same frequency range. A joint report covering both reviews will be published.

SCOTLAND

Dornoch Firth (Rail Bridge)

Mr. Maclennan asked the Secretary of State for Scotland what representations he has received from ScotRail that he should make a grant under section 56 of the Transport Act 1968 to enable a rail bridge across the

Dornoch firth and re-routed line to be constructed when the Dornoch firth road crossing is begun; and what reply he has sent.

Mr. Ancram: I have nothing to add to the reply which the hon. Member has had today from my hon. Friend the Minister of State, Department of Transport.

National Performing Arts Companies (Grants)

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received from the Convention of Scottish Local Authorities about grant-aid to national performing arts companies for 1986-87; and if he will make a statement.

Mr. Allan Stewart: Last year, in response to joint representations from the Convention of Scottish Local Authorities and the Scottish Arts Council, my right hon. and learned Friend provided £600,000 as continuing support for their arrangements for funding the Scottish national companies.

Urban Aid Programme

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received from Lothian regional council about the number of projects approved under the 1986-87 urban aid programme; and if he will make a statement.

Mr. Ancram: Lothian regional council wrote to the Scottish Development Department on 10 June expressing disappointment at the number of projects approved under the urban programme for a start in 1986-87. Th council has also written to all Members of Parliament in Lothian urging that they press the Secretary of State to reconsider the decisions on the council's applications. A meeting between officials is likely to take place in early July.

Edinburgh (Bypass)

Mr. Ron Brown asked the Secretary of State for Scotland if he will give the latest estimated completion date for Edinburgh's outer city bypass; and if he will make a statement.

Mr. Ancram: This project is the responsibility of Lothian regional council. I understand that, subject to completion of the necessary planning and other statutory procedures, the council hopes to complete work on the remaining sections of the bypass by the end of the decade.

Housing

Mr. Allen Adams asked the Secretary of State for Scotland how many houses it is estimated will be constructed or improved as a result of the scheme whereby local authorities can transfer funds from Block B to the Housing Corporation.

Mr. Ancram: It is for local authorities which wish to take advantage of the option to transfer resources from their non-HRA allocations to the Housing Corporation to seek the agreement of the Scottish Development Department. Any such applications will be carefully considered. I cannot predict how many authorities will seek to transfer funds or on what scale.

Forestry

Mr. Kirkwood asked the Secretary of State for Scotland what steps he proposes to take to provide financial assistance to roads authorities to maintain and upgrade specific rural roads essential to the development of forestry.

Mr. Ancram: I shall take such work into account in determining capital allocations, if authorities include it in their roads and transport capital programmes. Financial assistance may be available under the provisions of the Industrial Development Act 1982, where the proposed work is located within an assisted area.

Ancient Monuments (Forestry Schemes)

Mr. Kirkwood asked the Secretary of State for Scotland whether he has any plans to seek to increase the protection afforded to ancient monuments and historic sites which are exposed to Forestry Commission or other private forestry plantation programmes; and if he will make a statement.

Mr. Ancram: The Ancient Monuments and Archaeological Areas Act 1979 affords protection to ancient monuments of national importance through the process of scheduling. My right hon. and learned Friend can see no need to increase this statutory protection. In addition, the Forestry Commission has for many years liaised closely with officials over forestry developments which might have implications for archaeology, and my right hon. and learned Friend is aware that foresters in both the public and private sectors are conscious of the potential impact of afforestation on the archaeological heritage. My right hon. and learned Friend is, however, concerned to see that there should be the most appropriate machinery for consultation and appropriate action in present conditions to minimise inadvertent damage to ancient monuments. Officials are in active discussion with Forestry Commission staff to this end.

Countryside Commission

Mr. Donald Stewart asked the Secretary of State for Scotland what has been the level of funding of the Countryside Commission for Scotland in 1982-83, 1983-84, 1984-85 and 1985-86; and what level of funding is planned for 1986-87.

Mr. Rifkind: The level of funding made available to the Countryside Commission for Scotland has been as follows:

	£ million
1982-83	4·1
1983-84	4·4
1984-85	4·5
1985-86	4·7

Provision has been made in the Supply Estimates for funding of just over £5 million in respect of the commission's planned expenditure in 1986-87.

Sites of Special Scientific Interest

Mr. Donald Stewart asked the Secretary of State for Scotland how many sites of special scientific interest have been designated to date in Scotland; and what percentage of the land area of Scotland they comprise.

Mr. Rifkind: I am advised by the Nature Conservancy Council that as of 30 April 1986 there were 1,083 sites of special scientific interest covering 8 per cent. of land within Scotland.

Electricity Boards

Mrs. McCurley asked the Secretary of State for Scotland whether he has yet agreed a new financial target and performance aims for the Scottish electricity boards.

Mr. Rifkind: Cost reduction performance aims for the Scottish electricity boards were agreed for the three-years period to March 1986. After consultation with the boards I have decided to extend the period of the aims to March 1987, making appropriate adjustments to reflect the further costs reduction which can be expected in the additional year. The revised aim for generation and transmission activities is for the boards jointly to reduce controllable unit costs in real terms by 4·2 per cent. over the four-year period 1 April 1983 to 31 March 1987. Over the same period the South of Scotland Electricity Board will aim to reduce its controllable unit costs of distribution in real terms by 10 per cent. and similarly the North of Scotland Hydro Electric Board will seek to reduce this element of its costs by 5·5 per cent.

The joint financial target agreed with the boards for the period 1 April 1983 to 31 March 1986 was to make an average return of 1·75 per cent. on net assets valued on a current cost basis. The average return achieved by the boards was 2·23 per cent. I have now agreed a one year joint financial target with the boards of 2·7 per cent. for the financial year 1986-87.

TRANSPORT

Dornoch Firth (Rail Bridge)

Mr. Maclennan asked the Secretary of State for Transport what detailed case has been put to him by British Rail in support of the request for special funding to enable a rail bridge across the Dornoch firth and re-routed line to be constructed when the Dornoch firth road crossing is begun; and what reply he has sent.

Mr. David Mitchell: None. I under that British Rail has been considering the case for a rail crossing of the Dornoch firth and has had discussions with the Scottish Office and various interested bodies. It has concluded that it cannot make a financial case for funding the scheme wholly themselves; nor can it show that sufficient additional funding would be available from other sources. Accordingly, the Railways Board is not proceeding with its proposal.

Roads (Expenditure)

Mr. Moate asked the Secretary of State for Transport what are the comparable figures for capital spending on the national roads programme expressed in real terms for 1979-80 and 1986-87; and what percentage increase this represents.

Mr. Peter Bottomley: The figures are as follows:

	£ million cash	*Real terms**
1979-80	402	611
1986-87	813	741†

* 1984-85 prices.
† Plus 21 per cent.

Channel Tunnel

Mr. Austin Mitchell asked the Secretary of State for Transport if the Government have any independent forecasts of traffic in order to validate their assessment of the effects of the Channel tunnel.

Mr. David Mitchell: As part of its assessment of the four competing Channel fixed link schemes, the Government carried out independent appraisals of the promoters' traffic forecasts. These are not to be published, for the reasons set out in the Government White Paper, Cmnd. 9735.

British Rail (Employees)

Mr. Pawsey asked the Secretary of State for Transport how many people are now employed by British Rail on railway operating duties; and how this compares with 1978.

Mr. David Mitchell: The following information is provided in "Transport Statistics in Great Britain 1974-84" (table 3.8):

British Rail: Staff at end of year

Thousands

	1978	*1984*
Salaried:		
Administrative, technical and clerical	50·6	38·4
Police	1·8	1·7
All salaried	52·3	40·1
Wage Earning:		
Drivers	19·9	21·1
Other footplate staff	6·3	
Guards and other train staff	12·6	11·0
Signalling staff	9·6	7·5
Staff employed in stations, yards and depots	26·9	20·2
Staff employed in carriage and wagon examination	2·2	1·3
Permanent way and signal telecommunications staff	27·9	26·1
Workshop staff (excluding BREL)	21·2	18·6
Miscellaneous wages staff	3·1	2·4
All wage earning	129·9	108·1
British Rail Engineering Ltd.	35·6	25·4
All	217·8	173·6

Alternative breakdowns of this information are a management matter for the British Railways Board.

BR (Timekeeping)

Mr. Pawsey asked the Secretary of State for Transport if, pursuant to the answer of 17 March, *Official Report*, column *26*, he will now provide a breakdown by region of British Rail's punctuality for both express and non-express services for the financial year 1985-86.

Mr. David Mitchell: I understand from British Rail that the information requested is as follows:

		Trains arriving on time	Trains arriving on time or less than 5 minutes late
		Per cent.	Per cent.
Eastern Region	Class I	52	71
	Class II	73	90
London Midland Region	Class I	53	68
	Class II	77	88
Western Region	Class I	60	77
	Class II	72	90
Southern Region	Class I	65	85
	Class II	75	93
Scottish Region	Class I	65	77
	Class II	89	93
Weighted Totals	Class I	60	77
	Class II	77	91

Class I trains include all inter-city services, Scottish express services and some longer distance provincial and London and south-east sector services.

Class II services comprise all other passenger services.

Mr. Pawsey asked the Secretary of State for Transport what information he receives from British Rail on train punctuality as a matter of course *(a)* on full journeys and *(b)* relating to intermediate stations; what is the frequency with which this information is supplied; and what other information his Department has requested on train punctuality from British Rail in the last 12 months.

Mr. David Mitchell: My right hon. Friend receives quarterly reports from the British Railways Board on train punctuality for full journeys, by region; and by class—that is whether express or not. He receives no information relating to intermediate stations. In future the Railways Board will also be providing information on a sector basis to permit monitoring against the sector-wide standards set. Any additional information requested during the last 12 months has been on a purely ad hoc basis as available.

Mr. Pawsey asked the Secretary of State for Transport if, when he next meets the chairman of British Rail, he will raise with him the standard of train punctuality in the London Midland region.

Mr. David Mitchell: My right hon. Friend has no plans to do so.

Mr. Pawsey asked the Secretary of State for Transport what representations he has received from the Consumer Association on train punctuality on the London Midland region; and what action he intends to take.

Mr. David Mitchell: None, though I am aware of comments the association has made.

WALES

Housing (Senior Management)

Mr. Best asked the Secretary of State for Wales what conclusions he has reached following his consultations on the draft circular "Housing for Senior Management."

Mr. Nicholas Edwards: The consultations revealed considerable support for my view that a pool of houses attractive to and suitable for senior management is an important inducement for business men and industrialists considering investment in Wales and that where such a pool does not exist permission for some new sites should be made available. There was a division of opinion on the degree of need for new sites but it was generally felt that where they were needed they should be on the outskirts of towns and villages rather than in the open countryside. I continue to believe that an adequate pool of suitable houses does not exist everywhere it is needed in Wales and that there must be such a pool of houses or sites for new houses in each locality which seeks to attract incoming business or industry. I accept that this need varies from place to place and that it ought not to be met in the open countryside. I have concluded that the best way to ensure that the need is properly assessed and met is for each local planning authority to review its policies on the control of development with the object of introducing sufficient flexibility into its strategy on developments in and adjoining towns and villages to permit additional sites for single new houses or low density groups of houses so as to ensure that there is the pool of houses and sites for houses necessary for the encouragement of new commerce and industry. I am therefore asking authorities to undertake this review, to discuss it with representatives of industry, business, house builders and land owners, and to report the results to me by 30 November 1986.

It was a criticism of the draft circular that it appeared to suggest that permission for new houses given in response to the policy of providing for the needs of senior management should be related expressly to the needs of individuals or of specific groups of people and that this was a significant departure from the generally accepted policy that planning decisions should be related to the use of land rather than the identity of characteristics of the user. I make it clear that this is not my intention. The need is for incoming senior managers to be able to make their choice of house from a range of suitable property and my object is to ensure that enough houses or sites are likely to be available to meet their needs.

I have today issued a circular indicating my view of the general policy requirement and asking for the local reviews to be carried out. The circular also asks for care to be exercised to ensure that existing attractive residential areas are not spoilt by insensitive infilling.

A copy of the circular has been placed in the Library. I have also arranged for a copy to be sent to my hon. Friend and to all other right hon. and hon. Members representing constituencies in Wales.

Planning Permissions

Mr. Wigley asked the Secretary of State for Wales how many applications for the revocation of planning permissions under section 45 of the Town and Country Planning Act 1971 have been made to him in each year since 1979; and how many of these have been approved, how many rejected and how many are pending.

Mr. Mark Robinson: Since 1979 one revocation order has been submitted to the Secretary of State for confirmation pursuant to section 45. This was submitted in 1982 and was confirmed in 1983. In addition the Secretary of State has issued directions under section 46 of the Act requiring five revocation orders to be submitted to him for confirmation. Details are as follows:

	Confirmed	Not Confirmed
1979	1	—
1980	1	1
1981	1	—
1982	—	—
1983	1	—
1984	—	—
1985	—	—
1986	—	—

Patient Statistics

Mr. Gwilym Jones asked the Secretary of State for Wales if he will publish in the *Official Report* a table for each of the health authorities in Wales showing the numbers of in, out and day patients treated against each authority's financial allocation in the latest year for which complete figures are available.

Mr. Mark Robinson: The information given in the following table relates to the financial year 1984-85.

Health Authority	In-patient cases	Total out-patient* attendances	Day Case attendances	Financial allocation £ million
Clwyd	57,320	425,615	5,744	71·281
East Dyfed	29,713	210,042	3,728	45·643
Pembrokeshire	11,820	89,355	1,633	15·221
Gwent	62,177	432,588	4,584	89·231
Gwynedd	31,987	193,241	3,505	44·250
Mid Glamorgan	78,047	629,434	3,911	104·858
Powys	6,640	59,302	291	20·870
South Glamorgan	79,518	609,832	8,953	119·650
West Glamorgan	57,883	382,735	4,208	68·377

* Including accident and emergency.

NHS Managers (Objectives)

Mr. Gwilym Jones asked the Secretary of State for Wales what objectives are set for managers in the National Health Service in Wales; what monitoring there is to measure achievement against objectives; and what action is taken consequent to that monitoring.

Mr. Mark Robinson: I refer my hon. Friend to my reply of 28 April 1986, at column *287*.

Rural Schools

Mr. Geraint Howells asked the Secretary of State for Wales what study he is making of the essential maintenance needs of rural schools in Wales; and if he will make a statement.

Mr. Wyn Roberts: None. As owners of the schools it is for the local education authorities to identify essential maintenance needs.

Common Agricultural Policy

Mr. Geraint Howells asked the Secretary of State for Wales if he has any plans to meet members of the National Farmers Union and the Farmers Union of Wales to discuss the possibility of designation of the whole of Wales as a less favoured area within the common agricultural policy; and if he will make a statement.

Mr. Nicholas Edwards: I have no plans to meet the National Farmers Union or the Farmers Union of Wales to discuss the less-favoured areas in Wales.

Sites of Special Scientific Interest

Mr. Donald Stewart asked the Secretary of State for Wales how many sites of special scientific interest have been designated to date in Wales; and what percentage of the land area of the Principality they comprise.

Mr. Wyn Roberts: At 30 April there were 647 sites of special scientific interest in Wales, covering some 8 per cent. of the Principality.

University College, Swansea

Mr. Alan Williams asked the Secretary of State for Wales if he will receive a deputation from University college, Swansea, led by the right hon. Member from Swansea, West, to discuss the particular problems posed for the college and for the city of Swansea by the recently announced cuts in funding for the college.

Mr. Wyn Roberts: Responsibility for funding the colleges of the University of Wales rests with my right hon. Friend the Secretary of State for Education and Science and the University Grants Committee. University college, Swansea will have opportunities for discussing with the UGC any problems which it faces following the announcement of its recurrent grant allocation for 1986-87. I do not believe it would be appropriate for me to hold separate discussions about the allocations of recurrent grant with the colleges of the University of Wales.

EMPLOYMENT

Co-operatives

Mr. Sheerman asked the Paymaster General what is his estimate of the average annual rate of growth of employment in firms registered under the Industrial Common Ownership Act 1976 during the period November 1976 to 31 March 1986.

Mr. Trippier: The certification of co-operative and common ownership enterprises under the Industrial Common Ownership Act 1976 ceased on 21 November 1981 when the financial provisions of the Act expired. Certification was for the purpose of identifying potential

recipients of loans under the Act. No information is available on growth of employment in those enterprises certified under the Act between 1976 and 1981.

Mr. Sheerman asked the Paymaster General if he will provide an estimate of the number of people who are currently employed in worker co-operatives in the United Kingdom.

Mr. Trippier: It is estimated that there are around 12,000 people currently employed in worker co-operatives in the United Kingdom.

Mr. Sheerman asked the Paymaster General what is his estimate of the number of jobs that have been created in worker co-operatives in the United Kingdom since the passing of the Industrial Common Ownership Act 1976.

Mr. Trippier: I regret that there is no sufficient data available on worker co-operatives to make an assessment of job creation over the period in question. However, in 1980 there were 305 worker co-operatives employing 5,342 people compared to around 1,400 co-operatives employing about 12,000 people currently.

Mr. Sheerman asked the Paymaster General what information he has as to the survival rate of *(a)* new start worker co-operatives and *(b)* traditional forms of small business new starts.

Mr. Trippier: *(a)* No information is available on new start worker co-operatives, but the Co-operative Development Agency estimates that in any one year 90 per cent. of the total stock of worker co-operatives will survive.

(b) A rough measure of the survival rate of conventional small businesses is that after 10 years well over one half of all businesses can be expected to be in operation. Full details of the lifespan of businesses were published in *British Business* on 12 August 1983. A copy of the article was placed in the Library.

Youth Training Scheme

Mr. Robert B. Jones asked the Paymaster General what is the percentage of YTS trainees who obtain full-time employment *(a)* nationally and *(b)* in the West Hertfordshire constituency.

Mr. Trippier: The Manpower Services Commission conducts a monthly follow-up survey of all young people leaving YTS. The latest results, covering those who left YTS between 1 April and 31 December 1985, show that 53 per cent. were in full-time work some three months after leaving YTS. A further 4 per cent. were in part-time work.

Information about YTS leavers in the West Hertfordshire constituency is not available. However, latest results for the Dacorum local authority district, which forms a significant proportion of the constituency, show that 71 per cent. of YTS leavers were in full-time work and a further 3 per cent. were in part-time work.

TVEI (West Hertfordshire)

Mr. Robert B. Jones asked the Paymaster General what technical and vocational initiative proposals he has approved for the West Hertfordshire constituency.

Mr. Trippier: No proposal for a technical and vocational education initiative project has been approved for the West Hertfordshire constituency.

It is for each participating authority to decide where to site its TVEI pilot project; the Hertfordshire project is based in Stevenage.

Select Committees

Mr. Austin Mitchell asked the Paymaster General how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Lang: In the 1983-84 Session two different Ministers and four different officials gave evidence; in 1984-85, four different Ministers and 14 different officials did so.

Youth Employment

Mr. Meadowcroft asked the Paymaster General what plans he has for the employment of young people in Yorkshire.

Mr. Trippier: Employment prospects for young people in Yorkshire depend on a sustained improvement in the performance of industry, business and the economy as a whole. Our economic policies are designed to create the conditions for that improvement and we are making substantial progress. We also need levels of pay which ensure the competitiveness of our industry.

In 1986-87 two-year YTS will provide 37,940 places in Yorkshire and Humberside region, with a further 8,715 continuation places being provided for young people who entered training last year. The job prospects of those completing YTS and those ineligible for training will be further enhanced by the new workers scheme.

Those young people who have been unemployed for some time will be able to benefit from temporary employment under the community programme. At April 1986, 26,150 places were available in Yorkshire and Humberside region and the target is to increase this figure to 28,900 places by October this year. Our other employment measures will also directly or indirectly benefit young people.

Civil Servants (Official Contacts)

Mr. Dalyell asked the Paymaster General what consultations he has had with Civil Service unions about trade unions and firms approaching named civil servants in his Department on official business.

Mr. Trippier: There has to date been no consultation with Civil Service unions within my Department on this issue. Nor has there been any request from these unions for such discussions. I would refer the hon. Member to my right hon. and learned Friend's previous reply on this subject during the statement on business deregulation on 22 May 1986, at column 549.

Labour Statistics

Mr. Meacher asked the Paymaster General what was the number of unemployed claimants for the latest available year *(a)* nationally and *(b)* in Bradford, West.

Mr. Lang: The following information is in the Library. On 8 May 1986 the numbers of unemployed claimants in the United Kingdom and the Bradford, West parliamentary constituency were 3,270,892 and 8,703 respectively.

Monthly Inflation Index

Mr. Hancock asked the Paymaster General when the factors used to calculate the monthly inflation index were last reviewed.

Mr. Lang: The method of compilation of the general index of retail prices is reviewed from time to time by the Retail Prices Index Advisory Committee, which last reported in 1977. My right hon. and noble Friend expects to receive shortly a report from this committee and will be ready to consider making changes to the present methodolgy in the light of its recommendations.

The "weights" used to combine the price movements of the various components of the index are revised as a matter of routine at the beginning of each year and data sources are changed when necessary to take account of changing circumstances.

ATTORNEY-GENERAL

Mr. A. T. Hoolahan QC

Mr. Meadowcroft asked the Attorney-General on which dates in September and October 1984 Mr. A. T. Hoolahan QC sat on the north-eastern circuit as a deputy high court judge.

The Solicitor-General: Mr. Hoolahan sat as a deputy High Court judge on the north-eastern circuit on all working days between 8 and 16 October 1984 inclusive. There is no record of his sitting at all in September 1984 in this capacity.

FOREIGN AND COMMONWEALTH AFFAIRS

Salt 2

38. **Mr. Kirkwood** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on representations made by Her Majesty's Government to the United States Administration on their decision to breach the terms of Salt 2.

Mr. Renton: I refer the hon. Member to the answer which my right hon. Friend the Prime Minister gave to the hon. Member for Denton and Reddish (Mr. Bennett) on 12 June at column *286*.

USSR (Baptist Christians)

Sir Geoffrey Johnson Smith asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have raised the plight of Baptist Christians in the Union of Soviet Socialist Republics and the treatment of one of its members, Serafima Yudinsteva, with the Soviet authorities in the context of the Helsinki final act.

Mr. Renton: We take every suitable opportunity to raise with the Soviet authorities human rights issues, including freedom of religion and belief, both bilaterally and within the CSCE framework. But it is not possible, on any one occasion, to raise more than a few of the many hundreds of cases brought to our attention. I shall bear the hon. Member's point in mind when considering future representations.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Foreign and Commonwealth Affairs how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Eggar: The following table gives the number of appearances of officials and Ministers from the Foreign and Commonwealth Office and the Overseas Development Agency before House of Commons Select Committees in each of the parliamentary Sessions 1983-84 and 1984-85.

	1983-84	*1984-85*
Ministers	9	3
Officials	27	46

NATIONAL FINANCE

Own Resources

Dr. Twinn asked the Chancellor of the Exchequer if he will make a statement about the early payment of non value added tax own resources to the European Community in June.

Mr. Brooke: In accordance with article 10(2) of Council Regulation 2891/77, the Commission has again invited member states to advance the payment of own resources other than VAT in respect of agricultural, sugar and isoglucose levies and customs duties collected by the Government on its behalf.

In accordance with this request, the Government propose to make an advance payment of some £118 million on 20 June. This will be financed initially by a repayable advance from the contingencies fund, pending parliamentary approval of the estimate presented to the House on 17 June. The payment of levies and duties on the due date of 20 June will be reduced by the amount of the advance. There will therefore be no net addition to public expenditure.

Freeports

Mr. Best asked the Chancellor of the Exchequer, further to his answer to the hon. Member for Ynys Môn of 3 June, *Official Report*, column *470-1*, what customs and excise duty reliefs are presently available in United Kingdom freeports; if he will make an order exempting supplies made within the United Kingdom freeports from domestic value added tax and enabling excise goods to be stored without payment of duty; and if he will make a statement.

Mr. Brooke: Customs duty is not charged on goods imported from third countries which are placed in freeports for storage or for processing prior to exportation from the Community. Unless an excise warehouse has been approved in a freeport, excise duty reliefs are limited to those which may be allowed under the Customs and Excise Acts.

The application of domestic VAT in freeports is to be reviewed by Customs and Excise. I shall await the outcome of the review before considering any order exempting the supplies made in freeports from this tax. As to excise duty, excise goods may be stored in freeports without payment

of duty in excise warehouses; such warehouses need to be approved under the normal criteria by Customs and Excise.

Excise Duty

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the European and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, harmonisation of the structure of excise duties on alcoholic drinks; and if he will take steps to publicise these proposals in the United Kingdom.

Mr. Brooke [*pursuant to his reply*, 16 June 1986]: The Council of Ministers last discussed the harmonisation of the structure of the excise duties on alcoholic drinks in 1981. The Government consider that the proposed directives would need some amendment before they were acceptable to the United Kingdom. The draft directives have been subject to parliamentary scrutiny and relevant trade interests have been widely consulted. No further special publicity measures are considered necessary.

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, a proposal concerning the harmonisation of the structure of excise on mineral oils; and if he will take steps to publicise it in the United Kingdom.

Mr. Brooke [*pursuant to his reply*, 16 June 1986]: A proposal for a directive was issued by the Commission in 1973 but has never been discussed by the Council of Ministers. The Government consider that the draft would require a number of changes to bring it up to date and to make it acceptable to the United Kingdom. The proposal has been the subject of parliamentary scrutiny and of extensive discussion with trade interests in the past. No further special publicity measures are considered necessary.

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, proposals for a Council decision providing for a stand-still ensuring no introduction of new excise duties which give rise to border formalities; and if he will take steps to publicise them in the United Kingdom.

Mr. Peter Brooke [*pursuant to his reply*, 16 June 1986]: The Government consider that this proposal is closely linked to the general question of indirect tax approximation which is currently under consideration in the Council of Economic and Finance Ministers. The Government's view is that it would not be appropriate for the Council to take a decision on this draft directive until its position on the wider issue had been settled.

The process of parliamentary scrutiny has begun; the proposal has stimulated a number of representations from interested trade bodies. No special publicity measures are considered necessary.

DEFENCE

Royal Ordnance plc

18. **Mr. Colvin** asked the Secretary of State for Defence what is the total value of current Ministry of Defence contracts with Royal Ordnance plc.

Mr. Younger: It is not our practice on commercial sensitivity grounds to reveal the total value of our business with individual contractors. I should like to take this opportunity to inform the House that, although substantial progress has been made in the process of transforming Royal Ordnance into a fully fledged commercial entity, it has not been possible to take this far enough and to have in place all the features necessary to provide the basis for a successful flotation this summer. Privatisation remains the Government's objective and further consideration will be given to the means of achieving this.

Trident

12. **Mr. Andrew F. Bennett** asked the Secretary of State for Defence what is his latest estimate of the number of jobs that will be created by the Trident programme in Scotland.

Mr. Younger: The Ministry of Defence employs some 4,500 civilians at Rosyth, Coulport and Faslane in support of strategic systems. Cancellation of the Trident project would put these jobs at risk. During the peak years of the Trident programme over 2,000 construction jobs will be created on the Clyde; and equipment purchases for Trident will create around 25,000 direct and indirect job opportunities in the United Kingdom as a whole, of which Scotland will take a share.

Defence Contracts (Regional Aid)

17. **Mr. Willie W. Hamilton** asked the Secretary of State for Defence whether the awarding of defence contracts is used as an adjunct of regional industrial aid.

Mr. Lee: The primary objective of defence procurement is to satisfy the essential requirements of the services and in a way that secures best value for money for the taxpayer. Close links are maintained with the Department of Trade and Industry on the regional implications of equipment programmes.

501st Tactical Missile Wing, Greenham Common

19. **Mr. Corbyn** asked the Secretary of State for Defence if he will make a statement on the deployment exercises of the 501st Tactical Missile Wing at Greenham Common.

Mr. Stanley: We do not give details of training exercises conducted by nuclear missile units.

Chemical Weapons

20. **Mr. Jack Thompson** asked the Secretary of State for Defence how long Her Majesty's Government envisage it would take to transport sufficient quantity of binary chemical weapons to Europe from the United States of America in a time of crisis.

Mr. Stanley: Detailed arrangements would be a matter for the United States, but timing would be of course largely depend on the priority of the task in the light of the circumstances prevailing at the time.

23. **Mr. Sedgemore** asked the Secretary of State for Defence if any consultations have taken place between the United States and the United Kingdom on a draft plan for the deployment of United States binary munitions in the United Kingdom in a time of crisis.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Liverpool, West Derby (Mr. Wareing) on 3 June, at columns 428-29.

Mr. Greenway asked the Secretary of State for Defence what study his Department has made of the strategic options available to him in the event of Soviet use of battlefield chemical weapons; and if he will make a statement.

Mr. Stanley: The essence of NATO's strategy of deterrence and flexible response is that NATO maintains a range of possible responses to aggression in any form against any NATO country. There would therefore be a range of possible responses to the use of chemical weapons against NATO by the Soviet Union.

Northern Ireland

21. **Mr. Michael McNair-Wilson** asked the Secretary of State for Defence if he will make a statement about the operation of the security forces in Northern Ireland.

Mr. Stanley: Military operations are being carried out, in support of the Royal Ulster Constabulary's fight against terrorism, by the Royal Navy, Army and Royal Air Force. The Army element currently comprises 10 Regular battalions and 9 battalions of the Ulster Defence Regiment. A major contribution is also being made by various support elements, including the Royal Engineers.

Salt 2

22. **Mr. Roy Hughes** asked the Secretary of State for Defence if he has had any recent discussions with other Northern Atlantic Treaty Organisation Defence Ministers about President Reagan's decision to abrogate the Salt 2 treaty.

Mr. Younger: I keep in close touch with my NATO colleagues on a wide variety of issues, and we are agreed on the importance of compliance with existing treaties. The Government hope that the Soviet Union will respond constructively to United States concerns over their compliance record and that both sides will continue to observe the SALT 2 agreement.

29. **Mr. Wareing** asked the Secretary of State for Defence if he will make a statement on the implications for United Kingdom defence policy of the decision of the United States Government to cease abiding by Salt 2.

Mr. Younger: The search for balanced and verifiable arms control agreements forms a central element of the Government's security policy, but they can only contribute to international stability if all sides have confidence that they are being complied with. We have welcomed the President's decision to dismantle two Poseidon submarines in order to stay within SALT limits now. We hope that the Soviet Union will respond constructively to United States concerns over its compliance record, and that both sides will continue to observe the agreement.

South Atlantic

25. **Sir John Biggs-Davison** asked the Secretary of State for Defence if he will make a statement about the future role of the armed forces in the south Atlantic.

Mr. Stanley: The garrison in the Falklands reflects the continuing need for a military presence sufficient to deter aggression and to defend the islands against attack.

Nimrod Airborne Radar Programme

8. **Mr. Favell** asked the Secretary of State for Defence if he has had any recent discussions with General Electric Company Avionics about the Nimrod airborne early warning programme; and if he will make a statement.

Mr. Lee: I refer my hon. Friend to the answer I gave earlier today to the hon. and learned Member for Montgomery (Mr. Carlile).

Type 23 Frigate

24. **Mr. Beith** asked the Secretary of State for Defence if he will make a statement on the placing of orders for type 23 frigates.

31. **Mr. Hirst** asked the Secretary of State for Defence when he expects to announce orders for further type 23 frigates; and if he will make a statement.

32. **Mr. Douglas** asked the Secretary of State for Defence if he will make a further statement on the number of frigates to be ordered by his Department in 1986-87.

Mr. Lee: Negotiations with Swan Hunter Shipbuilders for the second type 23 frigate are continuing. "Best and final" offers from the four firms competing for follow-on frigates are currently being evaluated. No decisions have yet been taken on the size and timing of orders.

Officers (Resignations)

26. **Mr. Geraint Howells** asked the Secretary of State for Defence what action he intends to take regarding the number of officers leaving the services.

Mr. Freeman: I refer the hon. Member to paragraph 513 of the "Statement on the Defence Estimates 1986, Volume One" (Cmnd. 9763-1).

Crown Proceedings Act 1947

Mr. Ron Davies asked the Secretary of State for Defence what representations he has received concerning the repeal of section 10 of the Crown Proceedings Act 1947.

Mr. Ashley asked the Secretary of State for Defence what recent representations he has received about the operation of section 10 of the Crown Proceedings Act 1947.

Mr. Freeman: Representations continue to be received from the categories of people referred to in the reply from my hon. Friend the Parliamentary Under-Secretary of State for Defence Procurement to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on 20 February 1986, at column *326*. In addition, a few representations have been received from currently serving members of the armed forces.

27. **Mr. Ashley** asked the Secretary of State for Defence if he will now take steps to seek to repeal section 10 of the Crown Proceedings Act.

37. **Mr. Grist** asked the Secretary of State for Defence when he expects to complete his review of section 10 of the Crown Proceedings Act; and whether he will make a statement.

Mr. Lawrence asked the Secretary of State for Defence when he expects to make a statement on his review of the working of section 10 of the Crown Proceedings Act 1947 as it affects his Department.

Mr. Mudd asked the Secretary of State for Defence what progress is being made towards the completion of the latest review of the Crown Proceedings Act 1947; what is the envisaged time scale towards its completion; and if he has any interim proposals regarding the future of section 10 of the Act.

Mr. Hoyle asked the Secretary of State for Defence if he will make a statement on his policy in relation to section 10 of the Crown Proceedings Act.

Mr. Freeman: Our review of section 10 of the Crown Proceedings Act is well advanced and, while I cannot set a firm date for its completion, we are getting on with it as quickly as possible. This is a complex and difficult subject and I would not want to prejudge the outcome by making any interim proposals.

Mr. Jim Smith and Aish and Company

28. **Mr. Campbell-Savours** asked the Secretary of State for Defence what representations he has received on the question of Mr. Jim Smith and Aish and company in the light of the report on the subject by the Committee of Public Accounts.

Mr. Lee: None.

Strategic Defence Initiative

30. **Mr. Cartwright** asked the Secretary of State for Defence whether he will make a statement on the progress made towards assisting British participation in strategic defence initiative research.

Mr. Lee: Following signature on 6 December 1985 of the US/UK Memorandum of Understanding on United Kingdom participation in the United States SDI research programme, a United Kingdom SDI participation office was set up in the Ministry of Defence with as its main task the provision of assistance to British firms and research organisations seeking involvement in the programme.

To this end, the SDI PO, working closely with the British embassy, Washington, and the United States SDI organisation in the United States Department of Defence, has built up and is now further developing a detailed knowledge of the content and direction of the United States research programme; is helping to identify bidding opportunities for British firms and research organisations; and is advising them on the terms anc conditions for United Kingdom participation set out in the MoU and supporting administrative arrangements. Large-scale briefings on these matters were given in mid-February and mid-March to a total of some 200 British firms and research organisations, and a further briefing was given in late March in Washington DC to a large audience of United States and United Kingdom industrialists and United States contracting officials. More specialised briefings are given to individual firms and research organisations, both UK and US, virtually every day.

Written guidelines on participation have now been circulated to British firms and research organisations; and a copy has been placed in the Library of the House.

Negotiations are at a very advanced stage between the United States and United Kingdom Governments on a US-funded European architecture study. Other business arrangements are in various stages of negotiation, across a broad spectrum of research topics.

36. **Mr. Wallace** asked the Secretary of State for Defence if he will give the total value of the strategic defence initiative orders won by United Kingdom firms.

Mr. Lee: US$1·2 million.

Battlefield Nuclear Systems

33. **Mr. Fatchett** asked the Secretary of State for Defence when he expects that the first decision on the modernisation of individual battlefield nuclear systems will be made.

Mr. Stanley: I cannot add to the reply I gave to the hon. Member for Sheffield, Central (Mr. Caborn) on 20 January at columns *90-91* and to the communiqué of the NATO Nuclear Planning Group meeting of 21 March, a copy of which is in the Library.

RAF Cottesmore (Noise Nuisance)

34. **Mr. Latham** asked the Secretary of State for Defence whether he will make a statement on progress regarding the proposed new survey of noise nuisance experienced by residents living near RAF Cottesmore.

Mr. Freeman: Arrangements have been made for a team from the RAF Institute of Community and

Occupational Medicine to take further noise tests from 23 to 27 June at sites which have been carefully selected in conjunction with the chief environmental health officers of Rutland district council and South Kesteven district council. Monitoring equipment is already in place at the villages of Cottesmore and Ashwell.

Defence Policy

35. **Mr. Dubs** asked the Secretary of State for Defence if he will make a statement on his recent proposals to publicise the Government's defence policy.

Mr. Stanley: The Government will take as many opportunities as they can to explain the good sense and responsibility of their defence policies and to expose the naivity and irresponsibility of some alternatives being proposed to it.

Intercontinental Ballistic Missiles

Mr. Chapman asked the Secretary of State for Defence what is his assessment of the number of SS24 and SS25 intercontinental ballistic missiles deployed by the Union of Soviet Socialist Republics.

Mr. Stanley: Our assessment is that so far some 70 SS25 ICBMs are deployed in the Soviet Union. Deployment of the SSX24 has not yet begun.

Cruise Missiles

Mr. Meadowcroft asked the Secretary of State for Defence how many missiles were delivered to Greenham common on 9 and 21 May; and if he will make a statement.

Mr. Stanley: I cannot add to the reply that I gave to the hon. Member on 9 June at column *60*.

RAF Brawdy

Mr. D. E. Thomas asked the Secretary of State for Defence if RAF Brawdy was on armed alert at any time during or immediately after the United States air force attack on Libya.

Mr. Stanley: Following the United States action against specific terrorist-related targets in Libya on 14 and 15 April, all Ministry of Defence establishments in Great Britain including RAF Brawdy were placed on an increased security alert state.

Defence Projects

Mr. Hayward asked the Secretary of State for Defence what projects have been either partly or wholly financed by his Department since 1979 which have resulted in work being placed in Avon's aerospace factories; and what were the sums involved.

Mr. Lee: The detailed information requested is not available. However, among the major aerospace contractors which have factories in Avon are British Aerospace and Rolls-Royce. A prime responsibility of the Bristol division of British Aerospace is ship-launched missile systems including the Seawolf ship self-defence anti-missile system, the Sea Dart long range anti-aircraft missile system and the Sea Skua anti-ship missile. The Bristol division of Rolls-Royce numbers among its products the engines for the Tornado and Harrier aircraft. Both divisions were paid over £100 million by my Department in 1984-85.

Departmental Land

Mr. D. E. Thomas asked the Secretary of State for Defence if he will specify the whereabouts of the land owned and leased by his Department and the land over which his Department has rights in Wales.

Mr. Freeman: The following are the main locations which the Ministry of Defence owns, leases or has rights over in Wales:

(a) Freehold sites

Clwyd
- Llansilin Range
- Kinmel Park Camp, Rhyl
- Sealand Range
- RAF Sealand
- Hawarden
- Hightown Barracks, Wrexham

Dyfed
- RNSD Llangennech
- RNAD Milford Haven
- Pembroke Dock
- RNAD Trecwn
- Castlemartin Range
- Manorbier Range
- Penally Barracks
- Templeton
- RAF Brawdy
- Haverfordwest
- RAF Pembrey
- RAF St David's
- RAE Aberporth
- Angle
- P&EE Pendine

Gwent
- Severn Tunnel Range
- Vauxhall Training Camp
- Pwlholm training area
- RAF Caerwent

Gwynedd
- Capel Curig
- Ty Croes
- Tywyn
- RAF Mona
- RAF Valley
- RAE Llanbedr

Mid-Glamorgan
- Bridgend

South Glamorgan
- Mandy Barracks
- RAF St Athan
- ROF Cardiff

Powys
- Brecon
- Cwrt-y-Gollen Barracks
- Cwm Gwdi Ranges
- Sennybridge Camp and training area
- Trecastle

(b) Leasehold sites

Clwyd
- Moel-y-Parc
- Kinmel Park Camp, Rhyl

South Glamorgan
- Barry

(c) Sites at which rights are held

Clwyd
Sealand Range
RAF Sealand

Dyfed
Fort Scoveston
RAF St David's

Gwynedd
RAF Mona

South Glamorgan
RAF St Athan

Powys
Cwm Gwdi Range
Llangattock Range
Sennybridge

ENVIRONMENT

Nuclear Fuel (Reprocessing)

Mr. Alton asked the Secretary of State for the Environment if he will place in the Library a copy of any technical reports produced by the United Kingdom Atomic Energy Authority, the Central Electricity Generating Board, the South of Scotland Electricity Board or British Nuclear Fuels Ltd. which conclude in favour of reprocessing spent Magnox nuclear fuel on the ground of environmental safety; and if he will make a statement.

Mr. Waldegrave: No technical reports specifically addressing the environmental safety of reprocessing spent Magnox fuel are available. My Department commissioned report DOE/RW/83.086 which reviews the environmental aspects of reprocessing oxide fuel. A copy will be placed in the Library of the House.

Local Government Finance

Mr. Chris Smith asked the Secretary of State for the Environment if, pursuant to the answer from the hon. Member for Mitcham and Mordern (Mrs. Rumbold) on 19 May to the hon. Member for Islington, South and Finsbury, he will publish any economic models used by his Department in forecasting or assessing local government expenditure, spending targets, or rate limits, during the last two full financial years.

Mrs. Rumbold: A description of the economic model referred to in my answer of 19 May has now been published in the journal "Environment and Planning C: Government and Policy, 1986, volume 4, pages 145-153." I have today placed an offprint of this article in the Library.

Water Fittings and Pipes

Mr. Allen Adams asked the Secretary of State for the Environment if he will introduce legislation to establish a system of spot checks at sales outlets for water fittings and pipes to ensure that such products comply with British Safety Standards; and if he will make a statement.

Mr. John Patten: No. I have no proposal to place an additional burden of inspection on sales outlets for water fittings and pipes.

Mr. Allen Adams asked the Secretary of State for the Environment if he will introduce legislation to confer upon water authorities the power of entry to domestic and commercial premises to carry out inspections designed to ensure that water fittings and pipes in use are suitable for low pressure systems; and if he will make a statement.

Mr. John Patten: No. Water authorities have powers of entry on to premises to examine water pipes and fittings to ensure that water they supply is not wasted, misused, unduly consumed or contaminated before use. It is for the consumer to assure himself that his pipes and fittings are suitable for his purposes.

Mr. Allen Adams asked the Secretary of State for the Environment if he will introduce legislation to place a statutory requirement on water authorities to use only pipes and fittings made to British Safety Standards; and if he will make a statement.

Mr. John Patten: No. Water authorities have procurement policies formulated to secure best value for money. I am advised that wherever practicable water authorities purchase pipes and fittings manufactured to British Standard or equivalent specification.

Mr. Allen Adams asked the Secretary of State for the Environment what checks are carried out to ensure that water fittings on sale in the United Kingdom conform to British Safety Standards.

Mr. John Patten: It is for the purchaser to assure himself that water fittings offered for sale are of an adequate standard. However water undertakers have powers to enter premises and check whether such fittings are adequate to comply with any byelaws made by them to prevent the waste, misuse, undue consumption or contamination of water. Undertakers also have powers to alter, repair or replace defective fittings at the consumer's expense.

Calderdale

Mr. Galley asked the Secretary of State for the Environment what is the total level of assistance administered by his Department including urban programme funds, derelict land grant and so on, which has been spent in the Calderdale metropolitan borough area in each year since 1974.

Sir George Young: The total level of assistance to the Calderdale Metropolitan Borough area since 1974 through specific grants administered by the Department of the Environment is shown, where available, in the table. The figures exclude assistance through main programmes and related subsidies and grants.

Assistance to Calderdale Metropolitan Borough Council

	£
Urban Programme	
1974-75	88,130
1975-76	24,355
1976-77	115,695
1977-78	26,910
1978-79	84,817
1979-80	64,797
1981-81	55,485
1981-82	213,300
1982-83	208,329
1983-84	440,324
1984-85	317,814
1985-86	194,553

	£
Derelict Land	
1978-79	15,300
1979-80	17,000
1980-81	41,222
1981-82	451,694
1982-83	198,256
1983-84	145,055
1984-85	66,140
1985-86	32,233

Notes

1. The figures for the urban Programme show total annual approvals for expenditure. Those for Derelict Land Grant show actual expenditure totals. (Expenditure totals are not readily available for all the years in question for the Urban Programme).

2. Figures for Derelict Land Grant expenditure for the years 1974-75 to 1977-78 are not readily available.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for the Environment how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Ridley: The information is as follows:

Evidence given to Departmental Select Committees by Officials and Ministers from the Department of the Environment, 1983-84 and 1984-85

	Session 1983-84	*Session 1984-85*
Number of officials*	36	32
Number of Ministers	2	3

* In these figures, each appearance by an official is counted separately. Appearances before non-Departmental Select Committees are excluded.

Homelessness

Mr. Meadowcroft asked the Secretary of State for the Environment if he has any plans to meet representatives of Shelter, Shelter Housing Aid Centre and the Campaign for the Homeless and Rootless to discuss Government policy towards the reduction of homelessness; and if he will make a statement.

Sir George Young: My hon. Friend the Minister for Housing, Urban Affairs and Construction and I are in contact with these bodies when appropriate, as are my officials. I have no plans at present for a meeting at Ministerial level.

Management Agreements

Mr. Watts asked the Secretary of State for the Environment whether he will now publish the report by Laurence Gould Consultants Limited on the operation of the financial guidelines for management agreements under the Wildlife and Countryside Act 1981.

Mr. Waldegrave: Yes, it has always been our intention to publish this report. We had planned to do so at the same time as we were able to announce our preliminary conclusions on it. This entails a great deal of detailed work and technical consideration. We had made clear before some recent misconceived press comment that we expect to publish the report, and our observations, so we could consult appropriately. In the light, however, of the press comment I have decided it would be right to publish the Gould report forthwith. The Government intend to consult shortly both on the report and on its own preliminary conclusions.

British Geological Survey

Mr. Donald Stewart asked the Secretary of State for the Environment if he will give figures to show the level of his Department's funding of the British Geological Survey in each of the past 10 years.

Mrs. Rumbold: The Department's level of funding of the British Geological Survey in each of the last 10 years is given in the table.

DOE expenditure with British Geological Survey for last 10 years
Cash terms in £ million

	£
1976-77	2·574
1977-78	2·944
1978-79	3·088
1979-80	3·602
1980-81	5·481
1981-82	4·843
1982-83	3·134
1983-84	2·209
1984-85	2·083
1985-86	2·200

Countryside Commission

Mr. Donald Stewart asked the Secretary of State for the Environment what has been the level of Government funding of the Countryside Commission in each of the past four financial years and in the present financial year; and what level of funding is planned for 1986-87.

Mrs. Rumbold: Grant-in-aid to the Countryside Commission since 1 April 1982 has been as follows:

	£ million
1982-83	11·2
1983-84	12·5
1984-85	13·0
1985-86	15·3
1986-87	*17·7

* Planned.

Sites of Special Scientific Interest

Mr. Donald Stewart asked the Secretary of State for the Environment how many sites of special scientific interest exist at present in England; and what percentage of the land area of England they comprise.

Mrs. Rumbold: I am advised by the Nature Conservancy Council that as at 30 April 1986 there were 3,156 sites of special scientific interest covering about 5 per cent. of land within England.

Wildlife (Imports)

Mr. Hardy asked the Secretary of State for the Environment (1) what is his policy with regard to the issue of further licences under the Wildlife and Countryside Act 1981 for the import of exotic wildlife in cases where the applicant has previously failed to comply with the conditions imposed on such a licence;

(2) what is his policy with regard to the issue of licences under the Wildlife and Countryside Act 1981 for the importation of exotic wildlife in cases where the applicant is known to have been convicted for offences under the Act or for any other offences which may be relevant to his suitability to hold a licence.

Mrs. Rumbold: Licences for the import of endangered species (both fauna and flora) are issued under European Council Regulation 3626/82 (which implements the Convention on International Trade in Endangered Species of Wild Fauna and Flora within the European Community) and under the Endangered Species (Import and Export) Act 1976.

Each application for a licence is considered on its merits, taking account of all relevant factors and circumstances. Failure on the part of an applicant to comply with the conditions of a previous licence, or a conviction for offences under import or other relevant legislation, would certainly be regarded as a relevant factor to be considered if further applications for import licences in respect of endangered species are received.

Parking Fines

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply of 4 June, how many of the parking fines in 1985 were incurred on the occasion of official lunch-time engagements by Ministers; and if he will list them by Department.

Sir George Young: This information is not readily available and could be obtained only at disproportionate cost.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment what information he has as to the number and size, in terms of bedrooms and type, of residential units sold for under £40,000 on land owned by the London Docklands Development Corporation for each financial year up to March 1986.

Sir George Young [*pursuant to his reply*, 9 June 1986 c. *19*]: The total number of homes sold for under £40,000 on LDDC-owned land for each financial year since July 1981 is as follows:

	Numbers
1981-82	2
1982-83	399
1983-84	431
1984-85	519
1985-86	543

These figures do not include sales to housing associations, or housing reserved but not yet sold. LDDC records do not provide a breakdown in terms of the bedrooms, sizes or types of these homes.

Radioactive Waste

Mr. Barry Jones asked the Secretary of State for the Environment (1) what steps have been taken by his Department to monitor the radiation levels of waste rubble and steel from a demolished uranium enrichment building at British Nuclear Fuels Ltd, Capenhurst currently being tipped at the Mount tip, Buckley, Clwyd; and if he will make a statement;

(2) what monitoring has been carried out by the Radiochemical Inspectorate of radioactivity in concrete rubble and steel waste from the demolished uranium enrichment plant at British Nuclear Fuels Limited, Capenhurst currently being tipped at Mount tip, Buckley, Clwyd; if he will publish the results of such monitoring; what steps the Inspectorate takes to monitor radioactivity levels at the point of disposal; and if he will make a statement.

Mrs. Rumbold [*pursuant to her reply*, 12 June 1986]: Wastes consisting of concrete rubble and some reinforcing steel are arising from the demolition of the floor of a redundant building at Capenhurst which used to house part of the old uranium enrichment plant.

Prior to demolition, BNFL was required by the Radiochemical Inspectorate of my Department to carry out detailed and systematic monitoring of all materials for disposal. Some small areas of contaminated concrete were found, and disposed of, under an authorised route. None of the wastes being deposited at the Mount tip, Buckley, Clwyd is considered to be radioactive within the meaning of the Radioactive Substances Act 1960. The Radiochemical Inspectorate confirmed the validity of these measurements by independent monitoring and the measurements demonstate that the levels recorded are consistent with that expected for naturally occurring radioactivity in concrete.

Because the wastes have been demonstrated to be non-radioactive within the meaning of the 1960 Act, subsequent disposals are not subject to the provisions of this Act and therefore the Radiochemical Inspectorate has no cause to monitor at the point of disposal. However the Alyn and Deeside district council and the Welsh Water Authority are aware of these disposals and are monitoring the situation under their powers.

Water (Privatised Companies)

Mr. Boyes asked the Secretary of State for the Environment, what discussions he has had with the European Commission as to the extent to which the proposed water services plcs will be accepted as competent authorities for the purpose of the relevant EEC directives; and if he will make a statement.

Mr. John Patten [*pursuant to his reply*, 16 June 1986]: My Department has discussed our proposals for privatising the water industry with the Commission. We have no grounds for believing that water services plcs would not be accepted as competent authorities for the relevant purposes.

Caretaker Projects, Birmingham

Mr. Rooker asked the Secretary of State for the Environment why his Department has turned down new area caretaker projects in Handsworth, Birmingham.

Mr. John Patten [*pursuant to his reply*, 16 June 1986]: The concept of area caretakers has now been established in Birmingham for over 10 years during which time the inner city partnership has supported 24 projects, five of which have been in Handsworth. However, the concept can no longer be considered experimental or new; and in 1985 it was agreed between my Department and Birmingham city council that the local authority's main programme was a more appropriate source of long-term,

secure funding. It is for the city of Birmingham, through it's own resources or those of other sponsors, to fund further area caretaker schemes.

Non-payment of water charges

Mr. Boyes asked the Secretary of State for the Environment how many homes had their own water supplies cut off by water authorities in 1985; and for how long, in each year from 1979 to 1986 and to the latest date available.

Mr. John Patten [*pursuant to his reply*, 16 June 1986]: The number of disconnections by water authorities in England for non-payment of water charges is given below for financial years 1979-80 to 1985-86. Information on disconnections for other reasons, and on the duration of disconnections, is not available. Separate information for households is not available before 1983-84.

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Household	6,873	6,276	6,810	1,675	2,521	2,052	3,862
Non-household					649	1,029	1,024

Lower Leigh, Churchstow

Mr. Steen asked the Secretary of State for the Environment for how long his Department has been working on the buildings at Lower Leigh, Churchstow, near Kingsbridge, Devon; what work is being done; what is the estimated cost of repair; and if he will make a statement.

Mr. Tracey: The medieval timber buildings at Lower Leigh were acquired by my Department in 1975, but are now the responsibility of the Historic Buildings and Monuments Commission. A programme of consolidation and repair is due to be completed by 1990 at a total cost of £350,000.

Housing Statistics

Mr. Rooker asked the Secretary of State for the Environment if he will list the 50 most deprived housing authorities as measured by his Department using the housing "Z" score, giving the figure for each authority.

Mr. John Patten [*pursuant to his reply*, 19 May 1986, c. *82*]: The 50 authorities with the highest housing Z scores are shown in the table together with the figures. These scores are not, however, used by the Department to measure housing authorities' needs but are a variation on the statistical index of multiple urban deprivation used for inner city purposes in which housing variables have been given added weight.

Authority	*Housing Z score*
1. Hackney	8·62
2. Newham	8·11
3. Lambeth	7·19
4. Hammersmith and Fulham	7·04
5. Tower Hamlets	6·90
6. Haringey	6·58
7. Brent	6·28
8. Islington	6·23
9. Wandsworth	6·15
10. Camden	5·64
11. Southwark	5·38
12. Leicester	5·12
13. Kensington and Chelsea	5·07
14. Manchester	4·98
15. Wolverhampton	4·55
16. Westminster	4·39
Waltham Forest	
18. Lewisham	4·34
19. Ealing	4·28
20. Liverpool	4·23
21. Blackburn	4·15
Birmingham	
23. Sandwell	3·85
24. Coventry	3·71
25. Nottingham	3·60
26. Slough	3·56
27. Knowsley	3·04
28. Preston	2·94
29. Burnley	2·86
30. Middlesbrough	2·85
31. Kingston-upon-Hull	2·84
32. Bradford	2·75
33. Greenwich	2·54
34. Stoke-on-Trent	2·52
35. Rochdale	2·49
Brighton	
37. Oxford	2·47
38. Hounslow	2·46
39. Luton	2·37
40. Hyndburn	2·27
41. Kirklees	2·24
42. Hove	2·20
43. Salford	2·15
44. Tameside	2·14
Oldham	
46. Rossendale	2·07
47. Scunthorpe	2·02
48. Bolton	1·93
Hastings	
50. Derwentside	1·82

OVERSEAS DEVELOPMENT

Africa

Mr. Chapman asked the Secretary of State for Foreign and Commonwealth Affairs what is the total value of official aid Her Majesty's Government plan to allocate to supporting small-scale rural agricultural projects in Africa in 1986-87 and 1987-88, respectively.

Mr. Raison: The Government will continue to support small-scale rural agricultural projects in Africa during the period in question, but figures are not available in the form required. In 1984 British bilateral aid to agriculture and related activities in sub-Saharan Africa reached about £66 million. Figures for 1985 should be available within the next few months.

Ivory Coast

Mr. Spencer asked the Secretary of State for Foreign and Commonwealth Affairs if he has yet taken a decision on support for the seed production project in the Ivory Coast; and if he will make a statement.

Mr. Raison: The proposed seed production project at Serebou is being discussed by the Ivory Coast Government and the Commonwealth Development Corporation. Subject to a satisfactory outcome ODA bilateral country programme funds, as well as a CDC loan, would be available to help finance the project. I expect to be able to take a decision on this later this year. Meanwhile up to £350,000 of ODA funds have been allocated to refurbish the irrigation system at Serebou and to set up a mechanical workshop which should enhance the productive capacity of the existing farm.

ENERGY

Enter and Search Powers

Mr. Michael Brown asked the Secretary of State for Energy how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions; and, in each case, if he will indicate the statutory authority under which power is exercised.

Mr. Peter Walker: Thirty two officials of my Department currently have powers to enter premises for purposes which, in some circumstances, might be regarded as searching them. The purposes are to ensure the integrity and safety of mainly oil and gas installations and equipment and that discharges from them are environmentally acceptable. These powers derive principally from one or more of the following Acts and relevant Regulations made under them:

Pipe-lines Act 1962
Mineral Workings (Offshore Installations) Act 1971
Health and Safety at Work etc. Act 1974
Petroleum and Submarine Pipe-lines Act 1975

The 667 members of the Atomic Energy Authority constabulary have power to enter and search premises within 15 miles of any of the authority's establishments and of any other specified body corporate as defined in Schedule 1 to the Nuclear Installations Act 1965. The power is exercisable outside the premises of the bodies concerned only in respect of their property and, in the absence of an occupier's consent, only when a search warrant is issued by a magistrate. The relevant statutory authority is contained in the Atomic Energy Authority Acts 1954 ans 1971 and the Atomic Energy Authority (Special Constables) Act 1976, in conjunction with other Acts defining police powers.

Alternative Energy Sources

Mr. Stern asked the Secretary of State for Energy what assessment has been made by his Department of the environmental effects of alternative energy sources, such as wind power and the proposed Severn barrage.

Mr. David Hunt: The possible environmental impact of land based wind turbine generators is likely to be their visual intrusiveness, TV interference and noise. These were reviewed in Report 30 by the Energy Technology Support Unit "Prospects for the Exploitation of the renewable energy technologies in the United Kingdom", copies of which are available in the library. We are currently considering the Severn tidal power groups report and environmental factors will be one of the factors to be taken into account.

HOME DEPARTMENT

Wiltshire Police

Mr. Coombs asked the Secretary of State for the Home Department if he has any plans to increase the authorised establishment of the Wiltshire constabulary; and if he will make a statement.

Mr. Giles Shaw: It is the responsibility of the Wiltshire police authority to determine the authorised establishment of the force, although it must apply for my right hon. Friend's approval for any increases it deems necessary. In response to the police authority's most recent applications, my right hon. Friend approved a permanent increase of four posts in January and a temporary, supernumerary, increase of 7 posts, for 12 months in the first instance, in February. I understand the authority is considering making a further application.

M11 (Speeding Offences)

Sir Anthony Grant asked the Secretary of State for the Home Department how many convictions for speeding of drivers of heavy goods vehicles there have been on the M11 in each of the last three years.

Mr. Hurd: No reliable information is available for specific types of vehicles or for motorways, separately or in aggregate. The available information on findings of guilt for speed limit offences, including that by police force area, is published annually in "Offences Relating to Motor Vehicles, Supplementary Tables" (Tables 5 and 18 of the Issue for 1984), copies of which are in the Library.

News International Plant, Wapping

Mr. Chris Smith asked the Secretary of State for the Home Department in how many instances the Metropolitan police have used video film or photographs of demostrators taken at the News International plant in Wapping in an attempt to identify demonstrators who they believe may be guilty of a criminal offence in connection with the picketing or demonstration; and what criteria are used, in deciding whether to bring charges on the basis of such photographic evidence, as to its possible use in subsequence court proceedings.

Mr. Giles Shaw: The Commissioner informs me that there have been no such instances. The use of photographs in court proceedings depends on the circumstances of the case.

Metropolitan Police (Photographic Enhancement Service)

Mr. Chris Smith asked the Secretary of State for the Home Department if he will state the number of images processed by the Metropolitan police scientific research and development branch's photographic enhancement service for the year 1985-86; if he will give a breakdown on the basis of picture source, type of subject and type of

crime; if he will indicate whether these figures include video film; and if he will state whether the scientific research and development branch enhances video pictures.

Mr. Giles Shaw: The Metropolitan police video tape laboratory, which enhances video tapes only, processed 629 video tapes in the year eneded 31st March 1986. The great majority of these related to offences of theft or criminal damage. 520 were supplied by private bodies and 109 by the police. Computer enhancement was used in 60 cases; four police tapes were enhanced for training purposes and 56 tapes were enhanced to identify suspects for the following offences:

Offence	*Police tapes*	*Private tapes*
Theft and fraud	4	46
Criminal damage	—	2
Murder	1	—
Assault	—	1
Public order	1	—
Drugs	1	—

In addition, the Home Office Scientific Research and Development Branch examined three cases for the Metropolitan police in the year in question. In two cases still photographs were enhanced; one of people suspected of offences of violence, the other of a vehicle in relation to suspected theft. One video film belonging to a private firm was enhanced to attempt to identify people in connection with a murder inquiry.

Residential Care Television Licence

Mr. Nicholas Baker asked the Secretary of State for the Home Department (1) if he will bring forward proposals to remove the anomalies in the 5p accommodation for residential care television licence eligibility conditions identified by the Annan committee;

(2) if he has any plans to phase out the 5p television licence scheme for certain residential care establishments.

Mr. Giles Shaw: Some of the anomalies in the accommodation for residential care licence identified by the Annan committee were dealt with in the Wireless Telegraphy (Broadcast Licence Charges and Exemption) Regulations 1984, (SI 1984 No. 1053), which extended the concession to physically disabled and mentally disordered people living in eligible accommodation, and to certain accommodation provided by housing associations and old persons' accommodation financed and run by charitable bodies. We have no immediate proposals for further changes to the scheme; but it is clearly bound up with the larger question of the arrangements for financing the BBC through the television licence fee which have been examined by the Peacock committee, whose report we have now received.

Representation of the People Act 1985

Mr. Moate asked the Secretary of State for the Home Department if he will make it his policy in making regulations under the Representation of the People Act 1985 that there be provision for the delivery of one unaddressed electoral communication to each separately identifiable individual residential unit.

Mr. Mellor: This matter will be dealt with in regulations to be made by the Post Office later this year under section 91 of the 1985 Act. It is intended to provide in the Regulations for the delivery of one unaddressed election communication to each point that normally receives a separate delivery of mail.

Violent Crime (Statistics)

Mr. Moate asked the Secretary of State for the Home Department if he will publish in the *Official Report* the latest available statistics for the success rate in solving crimes of violence, distinguishing between murder, assault and rape; and what were the comparable figures for 1979-80.

Mr. Hurd: Clear-up rates for different types of offences are published each year in chapter 2 of "Criminal Statistics, England and Wales" (Cmnd. 9621 for 1984) and most recently for 1985 in table 5 of "Home Office Statistical Bulletin", Issue No. 4/86.

Neighbourhood Watch

Mr. Moate asked the Secretary of State for the Home Department if he will make a statement on the latest progress achieved in promoting neighbourhood watch schemes; and what steps he is taking to encourage the growth of such schemes.

Mr. Giles Shaw: The number of neighbourhood watch schemes continues to increase and there are now some 10,000 schemes in existence in England and Wales. There are encouraging indications that, where schemes are carefully designed and introduced, crime is reduced. Steps are being taken to monitor the progress of a number of schemes and the results of this work will provide useful lessons for the future.

Mr. Hunter asked the Secretary of State for the Home Department how many neighbourhood watch schemes are now operative in England and Wales.

Mr. Giles Shaw: About 10,000.

Civil Defence

Mr. Robert Banks asked the Secretary of State for the Home Department what is the number of civil defence volunteers who have received training in understanding the hazards of radiation; and what are the measures that they can advise being taken by people to avoid contamination.

Mr. Giles Shaw: The effects of, and protection against nuclear attack are included in the training programme for all civil defence volunteers. Records are not kept centrally of the numbers who have been trained.

The review of emergency arrangements for peacetime disasters following Chernobyl will include the potential role for civil defence.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for the Home Department how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions: (i) 1983-84 and (ii) 1984-85.

Mr. Hurd: The information is as follows:

	Session 1983-84	Session 1984-85
(a) Officials	18 (21)	19 (26)
(b) Ministers	2 (4)	4 (4)

The figures in brackets give the total numbers of appearances made by officials and Ministers respectively.

Drug Offences

Mr. Tony Banks asked the Secretary of State for the Home Department (1) if he will give a breakdown of the number of people arrested for drug related offences in the London borough of Newham for each of the past five years, by age and sex;

(2) if he will list the number of people arrested for drug related offences in the London borough of Newham, by type of drug, for each of the last five years;

(3) if he will state the total number of people arrested for drug-related offences in the London borough of Newham in each of the past five years, with the number of convictions obtained.

Mr. Penhaligon asked the Secretary of State for the Home Department how many individuals in the past five years, charged with supplying heroin, were bailed on their first appearance in court.

Mr. Hurd: I shall reply as soon as possible.

Mr. Tony Banks asked the Secretary of State for the Home Department if he will give a breakdown by opiate and non-opiate drug dependency of the number of addicts in the London borough of Newham for each of the last five years.

Mr. Hurd: The information requested is not available centrally.

PRIME MINISTER

British Pensioners (Canada)

Q11. **Mr. Nelson** asked the Prime Minister what representation she has received regarding the position of British pensioners living in Canada.

The Prime Minister: In 1983, during my visit to Canada, Prime Minister Trudeau raised with me the question of the indexation of United Kingdom pensions payable in Canada. On that visit I also received a petition from the British Pensioners' Association of Canada. I regularly receive letters from British pensioners in Canada on the matter.

Lance-Corporal Simon Cockton

Q28. **Mr. Dalyell** asked the Prime Minister if she will explain the reasons why Her Majesty's Government have taken over three years to establish that the helicopter carrying Lance-Corporal Simon Cockton was shot down by a missile fired from HMS Cardiff on 6 June 1982; and if she will make a statement.

The Prime Minister: I refer the hon. Member to the replies given to him by my right hon. Friend the Minister of State for the Armed Forces on 12 June at column *290-1*.

Legal Aid Funding

Q54. **Mr. Shersby** asked the Prime Minister if she will now make a statement on the review of legal aid funding.

The Prime Minister: The report of the review team has now been completed. Arrangements are being made for it to be published as soon as possible. There will then be a period of consultation before decisions are taken on its recommendations.

Hurn (Visit)

Mr. Adley asked the Prime Minister if she will pay an official visit to Hurn, Christchurch, Dorset.

The Prime Minister: I have at present no plans to do so.

Parking Fines

Mr. Tony Banks asked the Prime Minister if she will take action to reduce the number of parking fines incurred by her Ministers whilst attending official lunch-time engagements.

The Prime Minister: The rules for the use of official cars by Ministers are well established and no amendment is needed.

Engagements

Mr. Alton asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

Mr. Meadowcroft asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

Mr. Portillo asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 17 June.

The Prime Minister: This morning I had meetings with Ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with His Majesty King Hussein.

Mr. Rooker asked the Prime Minister if she will list the Ministers who have received deputations from Birmingham city council in the current year, stating the dates and the purpose of each meeting.

The Prime Minister [*pursuant to her reply*, 16 June 1986]: The information is as follows:

Secretary of State or Minister	*Date and purpose of meeting*
Secretary of State for the Environment (Mr. Baker)	31 January 1986 Meeting with Birmingham Inner City Partnership Committee.
Secretary of State for the Environment (Mr. Baker)	12 February 1986 Meeting with Councillors on Olympic bid.
Paymaster General (Mr. Clarke)	14 February 1986 Meeting on Inner City Initiative
Minister for Housing, Urban Affairs and Construction (Mr. Patten)	19 May 1986 Meeting with City Council members and MPS on Defective Housing.

EDUCATION AND SCIENCE

Universities (Funding)

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what criteria were used by the University Grants Committee to decide the allocation of research funds to universities.

Mr. Walden: The allocation of recurrent grant to the universities recently announced by the University Grants Committee took account in its provision for research of the number of staff and research students in universities, universities' income from research councils, charitable bodies, contract research income from industry and Government Departments and the committee's own rating of the quality of research in the different subject areas in each university, in the light of universities' own research statements and the advice of the research councils and other bodies.

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what criteria were used by the University Grants Committee to decide the allocation of funds for university buildings.

Mr. Walden: The recently announced recurrent grant allocations include resources to enable universities to undertake minor capital works, which were allocated pro rata to student numbers. Further resources may be allocated for specific minor capital works in the course of the academic year. Funds for major capital works are allocated from the capital subhead of the universities Vote in respect of specific projects approved by the University Grants Committee; these were not covered by the grant allocation letter of 20 May.

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what efforts were made by the University Grants Committee to advise universities in advance of the criteria that would be used for the allocation of funds.

Mr. Walden: The University Grants Committee wrote to universities on 19 November 1984 to outline its intention to review grant distribution; on 9 May 1985 to set out a new framework for the allocation of grant and to seek responses from universities; and on 19 November 1985 to describe the new grant allocation procedure in detail. An article by the chairman of the University Grants Committee in *The Times Higher Education Supplement* of 15 November provided further explanation. The committee's grant allocation letter of 20 May 1986 and its annexes gave universities an account of their individual grant allocations.

Hemel Hempstead School (Ministerial Visit)

Mr. Robert B. James asked the Secretary of State for Education and Science whether he will make a statement on the Parliamentary Under-Secretary's recent visit to Hemel Hempstead school.

Mr. Dunn: I was pleased to be able to visit Hemel Hempstead school on 3 March this year. I was encouraged particularly by the evident enthusiasm and commitment of the head master, staff and pupils and the very active involvement of the school governors and parents.

Secondary Schools

Mr. Robert B. James asked the Secretary of State for Education and Science how many surplus school places at secondary level there are in Hertfordshire; and what percentage that represents of total secondary school places.

Mr. Dunn: The total number of surplus school places in Hertfordshire at maintained secondary schools, excluding middle schools, was 6,401 at 1 September 1985; this represents 8·2 per cent. of all permanent places at maintained secondary schools in the county.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Education and Science how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Chris Patten: The information is as follows:

1983-84 SESSION
Education, Science and Arts Committee
Officials: 7 Ministers: 1
Home Affairs Committee
Officials: 3
Public Accounts Committee
Officials: 1
1984-85 SESSION
Education, Science and Arts Committee
Officials: 11 Ministers: 2
Treasury and Civil Service Committee
Officials: 4

Certificate of Pre-vocational Education

Mr. Williams asked the Secretary of State for Education and Science what budget exists, how much has been spent and in what ways to make potential employers aware of the certificate of pre-vocational education; and what response to the qualification has been received from employers.

Mr. Chris Patten: The publicity costs of the certificate of pre-vocational education are met by the Department of Education and Science and the Joint Board for Pre-Vocational Education. In 1985-86 some £140,000 of separately identifiable expenditure was used to produce leaflets for schools, pupils and employers as well as some national advertising. It is anticipated that some £250,000 will be provided by the Department in 1986-87 as grant-in-aid to the joint board for publicity. It is too soon to say how the CPVE has been received by industry, although early responses are encouraging.

Higher Education

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) what percentage of those English students who go on to higher education go to universities.

(2) what percentage of those English students who go on to higher and further education go to universities.

Mr. Walden: In 1984, 47 per cent. of full-time and sandwich higher education students in England were studying at universities in England; 26 per cent. of all those in further and higher education were studying at universities in England.

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) if he will publish a table showing the percentage of Welsh students in universities in the United Kingdom who go to universities in *(a)* Wales, *(b)* in Northern Ireland, *(c)* in Scotland and *(d)* in England;

(2) if he will publish a table showing the percentage of Scottish students in universities in the United Kingdom who go to universities *(a)* in Scotland, *(b)* in England, *(c)* in Wales, and *(d)* in Northern Ireland;

(3) if he will publish a table showing the percentage of English students at universities in the United Kingdom who go to universities *(a)* in England, *(b)* in Wales, *(c)* in Northern Ireland and *(d)* in Scotland.

Mr. Walden: The required figures for 1984-85 are shown in the following tables:

Full-time and sandwich home university students by country of domicile and study 1984-85

*Home Students domiciled in**	*Number*
a. Wales	12,644
b. Scotland	34,329
c. England	206,314

* Excludes some full-time students for whom the country of domicile was not recorded.

	Attending universities in:			
	a. Wales	*b. Scotland*	*c. England*	*d. Northern Ireland*
a. Wales	5,380 42·5 per cent.	227 1·8 per cent.	7,014 55·5 per cent.	23 0·2 per cent.
b. Scotland	147 0·4 per cent.	31,352 91·3 per cent.	2,754 8·0 per cent.	76 0·2 per cent.
c. England	11,061 5·3 per cent.	8,093 3·9 per cent.	186,663 90·5 per cent.	557 0·3 per cent.

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) what *(a)* number and *(b)* percentage of people aged between 16 and 21 years in (i) Scotland, (ii) England, (iii) Wales and (iv) Northern Ireland are in higher education in the United Kingdom for each year from 1979 to date;

(2) what *(a)* percentage and *(b)* numbers of young people in (i) Scotland, (ii) England, (iii) Wales and (iv) Northern Ireland went on to higher and further education for each year from 1979 to date.

Mr. Walden: I shall reply to my hon. Friend as soon as possible.

Teachers

Mr. Greenway asked the Secretary of State for Education and Science if he will issue guidance as to the weight to be given to the sexual orientation of those applying for teaching posts in county, voluntary aided and controlled schools; and if he will make a statement.

Mr. Chris Patten: As my hon. Friend knows, it is for the employers (local education authorities and, in the case of voluntary aided schools, governors) to recruit teachers, taking due account of candidates' qualifications, experience and suitability for the post. In so doing they will take account of the requirements of relevant legislation, including the Sex Discrimination Act, the Race Relations Act and the Education (Teachers) Regulations 1982, which provide for the Secretary of State to bar persons from employment as teachers on grounds of health or misconduct or on educational grounds.

Students

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) what percentage of those Welsh students who go on to higher education go to universities;

(2) what percentage of those Welsh students who go on to higher and further education go to universities.

Mr. Wyn Roberts: I have been asked to reply.

In 1984, 47·5 per cent. of Welsh full-time and sandwich higher education students were in universities. The comparable proportion in respect of further and higher education students was 27·2 per cent.

NORTHERN IRELAND

Inter-governmental Conference (Maryfield Secretariat)

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland how much the Government of the Irish Republic have contributed financially towards the administration and general expenses of the Maryfield secretariat of the Anglo-Eire inter-governmental conference.

Mr. Scott: The administrative costs of Maryfield, including such items as rent, rates, heating and lighting, furniture, office equipment and telephones, are shared by the two Governments. Up to 12 June 1986, the Republic of Ireland Government had contributed £26,158 towards these costs.

Asbestos

Mr. Parry asked the Secretary of State for Northern Ireland (1) if Her Majesty's Government has any plans to finance safe asbestos removal programmes in the Province;

(2) if he has any plans to introduce legislation further to control asbestos pollution in the Province; and if he will make a statement;

(3) what representations he has received asking him to introduce legislation to control asbestos pollution; and if he will make a statement.

Dr. Boyson: The Government have no plans to finance an asbestos removal programme. It is proposed to introduce subordinate legislation for Northern Ireland later this year to bring atmospheric pollution from specified industrial processes involving asbestos under the control of the alkali and radiochemical inspectorate. It is also planned to introduce new regulations, supported by an approved code of practice, for the control of asbestos at work. These will implement the EC directives on asbestos and will provide further protection for employees and others from health risks arising from work with asbestos. No representations regarding legislation on asbestos have been received.

Mr. Parry asked the Secretary of State for Northern Ireland how many persons have died from asbestos-related diseases in the Province in each of the past five years.

Mr. Needham: The information is as follows:

Deaths from Asbestos Related Diseases

	Number
1981	12
1982	10
1983	14
1984	17
1985	11

Investment

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland what is the level of investment in Northern Ireland by *(a)* American companies and financial institutions, *(b)* the European Economic Community and regional development agencies and *(c)* other public sector sources; and if he will provide the relevant figures for each of the past 10 years.

Dr. Boyson: The information is as follows:

(a) Investment by American Companies is known only in cases where the companies have sought selective financial assistance for the project concerned. The planned amount of investment in such projects is as follows:

Calendar Year	*£ million*
1976-1979	n.a.
1980	51·4
1981	18·6
1982	39·8
1983	0·6
*1984/85	59·2
*1985/86	70·8
Total over six years	240·4

* Financial years
n.a. Not available
No information is available on investment by American financial institutions

(b) Of the EEC sources listed below, ESF provides assistance towards the cost of vocational training and job creation schemes. The others provide funds for capital investment in infrastructure or industry (including Agriculture). The figures given are actual payments from these sources.

Calendar year	*European Social Fund (ESF)* £ million	*European Regional Development Fund* £ million	*European Agricultural Guarantee and Guidance Fund* £ million	*European Investment Bank (Loans)* £ million	*Urban Renewal Regulation* £ million	*Total* £ million
1976	12·0	7·2	1·6	17·6	—	38·4
1977	7·7	6·4	2·3	18·5	—	34·9
1978	13·5	4·0	0·8	—	—	18·3
1979	21·9	16·0	0·8	52·3	—	91·0
1980	21·2	21·0	3·1	49·0	—	94·3
1981	26·3	16·5	2·1	6·0	—	50·9
1982	35·6	18·0	2·3	0·3	—	56·2
1983	34·9	13·5	3·1	13·9	*14·9	80·3
1984	24·3	16·9	1·3	12·5	*14·2	69·2
1985	23·0	17·4	2·9	5·9	*23·3	72·5
Total	220·4	136·9	20·3	176·0	52·4	606·0

* Financial years

(c) Investment in capital projects by the public sector in Northern Ireland is as follows:

Financial Year	*£ million*
1976-77	370
1977-78	376
1978-79	452
1979-80	551
1980-81	527
1981-82	476
1982-83	529

Financial Year	£ million
1983-84	529
1984-85	546
1985-86	581
Total	4,937

Higher Education

Lord James Douglas-Hamilton asked the Secretary of State for Northern Ireland (1) what percentage of those Northern Irish students who go on to higher education go to university;

(2) if he will publish a table showing the percentage of Northern Irish students at universities in the United Kingdom who go to universities in *(a)* Northern Ireland, *(b)* Scotland, *(c)* England and *(d)* Wales.

(3) what percentage of those Northern Irish students who go on to higher and further education go to universities.

Dr. Mawhinney: I shall reply to my hon. Friend as soon as possible.

SOCIAL SERVICES

NHS Central Register

Mr. Ashdown asked the Secretary of State for Social Services if he will name, list and describe what records are kept of disclosures of information from the National Health Services central register; and if he will publish a summary of the relevant statistics for 1985.

Mr. Major: The National Health Service central register is an integral part of the patient registration system administered by family practitioner committees. Patient information held there is limited to name, date of birth, NHS number and an indication of which FPC currently holds the patient's registration with a NHS doctor.

Disclosure of information from NHS central register records is almost entirely confined to FPCs and the NHS units for whom NHSCR acts as a clearing house for greater efficiency in the adminstration of Family Practitioner Services.

Information relating to mortality and cancer registrations obtained via OPCS is also used to help researchers in approved medical research and statistical studies, and, also clinicians following up their own patients. Indirect assistance in communicating with patients is provided, with the approval and co-operation of FPC administrators, in circumstances which are clearly to the advantage of the patient or in cases of family separation, illness or bereavement. Assistance is provided to courts seeking to issue or enforce maintenance orders, or orders in respect of wards of court; to police in cases of serious crime and to DHSS to identify the owners of medical cards used in suspected fraudulent encashment of social security cheques.

Apart from the disclosure of information to bodies within the National Health Service and to research studies, requests for information from other sources amount to approximately 1,200 per year.

Mr. Ashdown asked the Secretary of State for Social Services whether instructions have been issued to staff of his Department on the subject of obtaining disclosure of information from the National Health Service central register in the course of investigating actual or suspected fraud by social security claimants; and if he will make a statement.

Mr. Major: It is not in the public interest to disclose operational procedures for the investigation of social security fraud.

Mr. Ashdown asked the Secretary of State for Social Services if he will publish the instructions under which information from the National Health Service central register may be disclosed for any purpose of law enforcement, including disclosure to staff of his Department investigating actual or suspected fraud by social security claimants.

Mr. Major: The Code of Guidance used by the National Health Service central register states—

"there may sometimes be exceptional circumstances which justify the disclosure of information to a law enforcement agency if it can help prevent or detect the commission of a serious crime or bring the criminal to justice . . .

Serious crime may be deemed to include murder, manslaughter, rape, kidnapping, acts of terrorism, causing explosions likely to end life or cause damage to property, possession of firearms with intent to injure, hostage taking, hi-jacking, serious harm to the security of the State or to public order, serious interference with the administration of justice. The onus should be on the enquirer to satisfy NHSCR that the crime is sufficiently serious and that the task of preventing or detecting it would be seriously prejudiced if disclosure were not to be made." (In all requests to trace patients the Administrator of the appropriate Family Practitioner Committee would be fully involved.)

"Arrangements have been agreed to help DHSS fraud officers where a medical card has been used as a means of identification when cashing a social security giro cheque which subsequently is found to be fraudulent. NHSCR assistance is provided in response only to a written request from a regional controller and is usually limited to providing the identity of the person recorded against the stated NHS number".

Benefits (Fraud)

Mr. Ashdown asked the Secretary of State for Social Services if he will describe the circumstances in which information from the National Health Service central register may be made available to regional office staff or to local office staff in the course of investigating actual or suspected fraud by social security claimants; and if he will make a statement.

Mr. Major: On request from a DHSS regional controller, National Health Service central register will supply the name and date of birth appropriate to a NHS number shown on a medical card that has been used as a means of identification when cashing a social security giro cheque which susequently has been found to be fraudulent.

NHSCR assistance is provided on the grounds that a person who voluntarily produces a medical card as evidence of identity should be willing to accept a check on that identity by the authorities concerned; and if the card used does not relate to the person who produced it the proper holder has apparently lost it and the current holder has no title to it.

Health Records (Law Enforcement)

Mr. Ashdown asked the Secretary of State for Social Services if he will describe the circumstances in which

information may be disclosed from medical records and from National Health Service records for any purpose of law enforcement; and if he will make a statement.

Mr. Major: Safeguarding the confidentiality of medical and other National Health Service records is primarily an ethical matter for the health professionals concerned. The disclosure of identifiable personal information from such records for a purpose other than that for which it was obtained would usually require the agreement of the doctors concerned, who would decide whether the consent of the patient should also be sought.

Professional guidance recognises that there may be cases, for example those involving serious crime, when the public interest outweighs the patient's right to confidentiality. The decision to disclose information would usually be for the doctor to make in the light of the circumstances of a particular case.

The department is currently preparing a Code on Confidentiality of Personal Health Information in the National Health Service which it is intended will be given statutory force and which will set out the limited circumstances in which personal health information may be disclosed without the patient's consent.

Health Authorities (Computer Records)

Dr. Glyn asked the Secretary of State for Social Services what steps are being taken to put health authority computer records on a national basis; and what procedure is being adopted to enable health authorities to know the availability of beds in each category in other areas.

Mr. Whitney: Work is being undertaken centrally on a number of technical initiatives aimed at producing standards for communication between various types of computer systems in use in the National Health Service, in accordance with the Government's commitment to the adoption of Open Systems Interconnection (OSI). Nevertheless, the introduction of computerised record systems remains a matter for each health authority to determine in accordance with its own priorities.

Health authorities locally have access to a range of statistical information about other authorities, including bed availability and waiting lists held by regional health authorities and by the Department.

Cross-boundary Charging

Mr. Kirkwood asked the Secretary of State for Social Services what plans he has to implement cross-boundary charging in England.

Mr. Hayhoe: I have no plans to do so. I welcome the experiments begun by a few health authorities in cross-boundary charging for certain specialist services. However costings systems are not yet sufficiently developed to support national arrangements; administrative costs could be heavy; and formal charging arrangements between health authorities for all their services might not be fully compatible with general practitioners' freedom to refer patients to the hospital consultant of their choice.

Existing resource allocation arrangements take account of patient flows across health authority boundaries in determining target allocations. This is one of the issues being examined in the review of the RAWP formula.

British Pensioners

Mr. Andrew Bowden asked the Secretary of State for Social Services what estimate he has of the additional annual cost of paying British retirement and widowed pensioners aged 75 years and over living *(a)* in Canada and *(b)* in South Africa, the rate of pension they would receive if living in the United Kingdom.

Mr. Major: On the basis of a full year at today's pension levels, the additional cost of paying British retirement and widows' pensions at rates current in the United Kingdom to pensioners aged 75 years and over living *(a)* in Canada and *(b)* in South Africa would be approximately £9·9 million and £3 million respectively.

Hospital Closures

Mr. Meacher asked the Secretary of State for Social Services how many hospitals have been closed each year since 1979; and how many wards in remaining hospitals have been *(a)* partially and *(b)* wholly closed each year since 1979.

Mr. Hayhoe: I refer the hon. Member to my reply to him on 3 March at column 62.

Ancillary Services (In-house Contracts)

Mr. Chope asked the Secretary of State for Social Services how many district health authorities have awarded contracts for cleaning, catering and laundry in-house notwithstanding a lower tender having been available from an outside contractor; and if he will give details of the difference in price in each case.

Mr Whitney: Health authorities are required to accept the lowest tender unless there are compelling reasons not to do so. We are aware of the following cases to us this year where an in-house tender was accepted when it was not the lowest tender:

Health Authority	*Type of Contract*	*Hospital*
Gloucester	Domestic	Gloucester Royal Infirmary
North West Hertfordshire	Domestic	Hemel Hempstead General Hospital
South Tyneside	Domestic	Community Clinics
West Suffolk	Domestic	West Suffolk and Thetford Hospitals

The prices involved are regarded as confidential.

Severe Weather Payments

Mr. Deakins asked the Secretary of State for Social Services what is the average amount paid to each claimant in severe weather payments in the United Kingdom, in England and in East Sussex, respectively; and what has been the average time delay in making such payments.

Mr. Major: The information is not available. When the period during which payments are likely to be made is over, local offices will be asked to make a return so that the average amount paid can be calculated.

Mr. Deakins asked the Secretary of State for Social Services how many claims for severe weather payments were made in his Department's offices in Brighton, Leicester and Walthamstow in 1985 and 1986; how many of the claims in each year were successful; and what was the average sum paid out.

Mr. Major: Separate information on the number of claims for exceptionally severe weather payments is not collected. The total number of payments made in 1985 by these offices was as follows:

Local office	*Number of payments*	*Average amount* £
Brighton	374	9·77
Leicester:		
Burleys Way	501	9·08
Lower Hill Street	323	7·38
Norton Street	740	14·00
Yeoman Street	676	13·85
Walthamstow	522	9·92

Information for 1986 is not available. When the period during which payments are likely to be made is over, local offices will be asked to make a return so that the number of payments and the average amount can be calculated.

Departmental Staff

Mr. Skinner asked the Secretary of State for Social Services (1) how many people were employed by his Department in the east midlands in 1979 and at the latest available date;

(2) how many people were employed in clerical positions by his Department in the east midlands in 1979 and at the latest available date.

Mr. Major: I assume that the hon. Member is referring to those offices which were in the Department's east midlands and east Anglia region and were transferred to the midland region on reorganisation in August 1982.

Information is not available in the precise form requested. The complement allocated to east midlands offices for April 1979 and the intended 1 July 1986 staff allocation are set out in the table. They reflect overall reductions in work load over the period mainly due to the introduction of housing benefit and statutory sick pay.

	Total staff	*Number of clerical staff*
1979	3,747	2,559
1986	3,814	2,319·5

Heart Patients (Deaths)

Mr. Kirkwood asked the Secretary of State for Social Services how many deaths have occurred, both in total numbers as a percentage, of patients on waiting lists for coronary artery by-pass operations for every year for the past 15 years.

Mr. Whitney: I am sorry I cannot give the hon. Member the information he seeks. It is not collected centrally.

Ambulance Service (Bromley)

Mr. John Hunt asked the Secretary of State for Social Services how many of the new recruits currently being trained at the London ambulance service headquarters training school will be allocated to the Bromley health authority area.

Mr. Whitney: Of the 32 recruits who started training on 9 June and who will be operational on 7 July, four are to be posted to Bromley. A further course is due to begin on 23 June and a trainee from that will also go to Bromley.

Mr. John Hunt asked the Secretary of State for Social Services when he anticipates that the London ambulance service will be in a position to restore the reductions recently made in non-emergency provision within the area of the Bromley health authority; and if he will make a statement.

Mr. Whitney: I regret that it is not possible to give a precise date but recruitment will continue and the South West Thames regional health authority is monitoring the position with the other Thames regions.

Mr. John Hunt asked the Secretary of State for Social Services when the Bromley health authority was first informed of the offer by the London ambulance service to loan ambulances to health authorities, together with the cash for any drivers recruited locally; and how many such ambulances have been loaned in this way to the Bromley health authority.

Mr. Whitney: The facility to loan ambulances to health authorities has been available for many years. Bromley district health authority, however, did not use this until 1 May 1986 when it took one vehicle for use at the Phoenix centre. I understand it is currently considering whether to take further vehicles on loan.

Baby Care Units (North-Western Region)

Mr. Carter-Jones asked the Secretary of State for Social Services what information he has about the provision of special baby care units in the north-western region; and what representations he has received about problems faced by the unit at Hope Hospital in Salford; what assessment he has made of the extent to which the service provided by that unit meets the priority criteria laid down by his Department; and if he will make a statement.

Mr. Whitney: In 1984, the latest year for which information is available centrally, there were 20 National Health Service hospitals in the North Western regional health authority with a special baby care unit. Two representations have been received about the unit at Hope hospital. These are being looked into by Salford health authority which is responsible for the provision of maternity services in Salford, in line with advice given by the Maternity Services Advisory Committee. The hon. Member may therefore wish to address any concerns to the chairman of that authority.

Capital Projects

Mr. Hayward asked the Secretary of State for Social Services if he will identify those capital projects approved in *(a)* Frenchay, *(b)* Bristol and Weston and *(c)* Southmead health authorities since 1979, with an expenditure in excess of £75,000.

Mr. Whitney: Regional health authorities have delegated responsibility for approving capital projects whose works cost does not exceed £5 million. As much of the information requested is not available centrally, my hon. Friend may wish to contact the chairman of the South Western regional health authority for a comprehensive list of approvalsin these district authorities and, before 1982, the Avon area health authority.

We do have information about three schemes approved for construction during the period as follows:

District	Scheme	Works cost £ million	Status
Bristol and Weston	Bristol Eye Hospital	4·02	Completed in 1985
Frenchay	Frenchay DGH Phase 1	6·72	Building about to start
Southmead	Southmead Central Delivery Suite	1·11	Completed in 1985

Angioplasty

Mr. Pavitt asked the Secretary of State for Social Services what is the average cost of an angioplasty to the National Health Service; and what is the amount charged to a private patient for this operation when performed in a National Health Service hospital.

Mr. Hayhoe: I regret that information on the cost of an angioplasty is not available. At present charges to private in-patients are based on average costs for treating all conditions, and are dependent therefore on the length of stay of each patient and the class of hospital in which they are treated. This will obviously vary according to circumstances.

Motor Neurone Disease

Mr. Spencer asked the Secretary of State for Social Services what information he has about the number of people who have died of the motor neurone disease in each of the last five years.

Mr. Whitney: The numbers of deaths with an underlying cause of death stated as motor neurone disease registered in England and Wales in each of the last five years are shown in the table.

Number of deaths from motor neurone disease, persons, all ages England and Wales: 1981 to 1985

Cause of death	ICD code	1981	1982	1983	*1984	*1985
Motor neurone disease	335.2	883	824	942	1,005	1,103

* Because of a change in coding rules, figures for 1984 and 1985 are not strictly comparable with those of earlier years. Figures for 1985 are provisional.

Mr. Spencer asked the Secretary of State for Social Services what information he has about the number of people currently suffering from the motor neurone disease.

Mr. Whitney: There are no centrally collected statistics about the total number of people currently suffering from motor neurone disease. In 1984, the latest year for which information is available centrally, there were an estimated 2,170 discharges (including deaths in hospital) of in-patients from National Health Service non-psychiatric hospitals in England with a main diagnosis of motor neurone disease.

It has been estimated that in the United Kingdom some 5,000 people suffer from this disease and that about 1,000 new cases are diagnosed each year.

Written Answers to Questions

Wednesday 18 June 1986

SCOTLAND

Student Allowances

Mrs. McCurley asked the Secretary of State for Scotland if he will make a statement about the levels of students' allowances for Scottish students in the academic year 1986-87.

Mr. Rifkind: The main rates of allowances for students on degree and equivalent courses will be increased by 2 per cent. and by a further £36 for students who live away from the parental home. They will be:

	£
(a) for students living in the parental home	1,390
(b) for students living away from home and attending an establishment outside London	1,846
(c) for students living away from home and attending an establishment in London	2,191

The parental contribution scale will be adjusted upwards in line with earnings.

Allowances for mature students will be increased by 2 per cent. plus £40 per annum.

Allowances for special equipment for students attending certain courses will be discontinued.

Students in receipt of grants will continue to be eligible for reimbursement of travelling expenses in excess of £50 already included in the main rates.

Certain other changes will be announced in a supplement to the Scottish Education Department's "Guide to Students' Allowances, 1986-87".

The arrangements for the financial support of Scottish-domiciled students will, in addition, be included in the wide ranging review of students' awards which my right hon. Friend the Secretary of State for Education and Science announced today. The Scottish Education Department will be fully involved in that review and the particular circumstances relating to students in higher education in Scotland will be fully taken into account.

Mentally Handicapped Persons

Mr. Dewar asked the Secretary of State for Scotland if he is satisfied with the progress towards meeting the SHAPE priorities laid down in 1980 with regard to the support of mentally handicapped patients in the community; and if he will make a statement.

Mr. Rifkind: The report on the SHAPE priorities (Scottish Health Authorities Priorities for the Eighties) was addressed primarily to the authorities responsible for the health services in Scotland, whereas the responsibility for providing facilities for the support of the mentally handicapped in the community rests mainly with local authorities. So far as increasing the provision in the community for this group is concerned, there has been substantial progress in the period from March 1979 to March 1985 and various supported accommodation and day care facilities have been established, including 350 units of special needs housing provided by housing associations, an increase of 377 places in staffed homes provided by local authorities and voluntary bodies and the provision of some 300 places in unregistered homes provided by voluntary bodies. Day centre provision for the mentally handicapped has increased by some 2,190 places in the same period. It is for local authorities to determine whether still greater priority should be given to further developments in their own areas in relation to the services for which they are responsible.

Mr. Dewar asked the Secretary of State for Scotland how many in-patients there are in Lennox castle hospital, the Royal Scottish national hospital and in other National Health Service hospitals in Scotland as a consequence of mental handicap at the latest convenient date; and what were the comparable figures five and 10 years ago.

Mr. Rifkind: This information is as follows:

In-patients with mental handicap resident at 31 December each year in:

	1977	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
(a) Lennox castle hospital	1,393	1,341	1,314	1,259	1,205	1,115	1,094
(b) The Royal Scottish national hospital	1,239	1,140	1,119	1,084	1,063	1,030	974
(c) Other mental handicap hospitals	7,018	6,670	6,518	6,474	6,153	5,963	*
(d) Mental illness hospitals and psychiatric units	1,020	869	853	821	855	825	*

* Figures not yet available.

In the period since 1985 the number of in-patients has been reduced to around 1,000 at Lennox castle and 900 at the Royal Scottish national hospital.

Mr. Dewar asked the Secretary of State for Scotland how many places there are in group homes and hostels for those suffering from mental illness and mental handicap, respectively, in Scotland.

Mr. Rifkind: Provision for this client group by local authorities and voluntary bodies is mainly in the form of staffed accommodation, but it is estimated that in 1985 there were 112 places for the mentally ill and 17 for the mentally handicapped in local authority or registered group homes. There were in addition some 370 places for the mentally ill and 310 for the mentally handicapped in group homes and other premises known to local authorities where the amount of social work involvement was not considered sufficient to require registration.

Mr. Dewar asked the Secretary of State for Scotland what recent studies have been done at Lennox castle hospital and the Royal Scottish national hospital to establish if there are any in-patients who on the Wessex scale of competence would be able to respond to training

programmes designed to allow their discharge to a group home or hostel; and if he will make a statement on the results.

Mr. Rifkind: Surveys of all in-patients using the Wessex scale of competence were carried out in Lennox castle hospital in December 1984 and in the Royal Scottish national hospital in February 1984. These showed that 10 per cent. of the patients in Lennox castle hospital and 36 per cent. of the patients at the Royal Scottish national hospital had the basic skills to enable them to live independently. I have indicated in a separate reply to the hon. Member that progress has been made in providing facilities in the community to enable mentally handicapped persons who are capable of doing so to live independently.

Mr. Dewar asked the Secretary of State for Scotland what has been spent in each health board area by the boards and local authority on jointly planned and financed projects to create community facilities to support mentally ill and mentally handicapped patients in each of the last five years.

Mr. Rifkind: This information is not available centrally.

Royal Scottish National Hospital

Mr. Dewar asked the Secretary of State for Scotland what steps were taken by his Department to act on the letter from the chairman of the Mental Welfare Commission for Scotland dated 10 September 1985 addressed to the then Secretary of State for Scotland which expressed grave concern about conditions at the Royal Scottish national hospital.

Mr. Rifkind: Following the receipt of the letter referred to by the hon. Member, senior officials of the Scottish Home and Health Department visited the Royal Scottish national hospital on 8 November 1985 and had a lengthy meeting at the hospital with the chairman of Forth Valley health board and his advisers to discuss what could be done quickly to bring about improvements to the buildings and to raise the staffing levels at the hospital. In recognition of the health board's swift response to their earlier criticism, the chairman of the Mental Welfare Commission for Scotland wrote to the chairman of Forth Valley health board earlier this year following a regular annual visit to the Royal Scottish national hospital to say that the commission had been enormously impressed at the improvements which had taken place in the hospital since its last visit in February 1985, and much encouraged that problems of leadership and inter-professional co-operation had within a very short period of time largely disappeared. The commission noted that the response of the health board had been immediate and most beneficial to the welfare of the patients.

Mr. Dewar asked the Secretary of State for Scotland if he has had any representations from the Royal College of Psychiatrists about conditions in the Royal Scottish national hospital and the decision to withdraw training rights from that hospital; and if he will make a statement.

Mr. Rifkind: I have had no such representations from the Royal College of Psychiatrists. I understand that the decision by the college to withdraw training recognition was based on the limited opportunity available to registrars to practise in-patient, out-patient and community psychiatric care because of the amount of time they were spending on general medical care of the patients in the hospital. The health board is taking steps to remedy the position.

Mental Welfare Commission

Mr. Dewar asked the Secretary of State for Scotland if his Department has given any guidance to the Mental Welfare Commission for Scotland as to the policy of making unannounced visits to hospitals; and whether that policy is still being followed.

Mr. Rifkind: Yes, though the Mental Welfare Commission for Scotland is an independent body and it must answer for how it carries out its statutory duties. I understand that the commission and health boards have agreed arrangements about notifying the commission's intention to undertake visits to hospitals. It makes unannounced visits when this is felt to be justified.

Hospitals (Reports)

Mr. Dewar asked the Secretary of State for Scotland if he has any plans to publish the reports issued from time to time on hospitals by the Scottish Hospital Advisory Service and the Mental Welfare Commission for Scotland.

Mr. Rifkind: The individual reports prepared by these two bodies on their respective visits to hospitals are primarily for the benefit of the hospitals themselves and the health boards in whose areas they are situated, and I have no plans to arrange for their publication. However, general reports on the work of both bodies are now published annually. A report by the director of the Scottish Hospital Advisory Service is included in the annual report by the Chief Medical Officer of the Scottish Home and Health Department; and since last year the Mental Welfare Commission for Scotland has been required to present an annual report to Parliament. Copies of both reports are available in the Library.

Mental Hospitals (Patient-Staff Ratios)

Mr. Dewar asked the Secretary of State for Scotland if he will give the patient-staff ratios for Lennox castle, the Royal Scottish national hospital and for hospitals dealing with the problems of the mentally handicapped in Scotland as a whole at the latest convenient date.

Mr. Rifkind: At 31 March 1985, the ratio of average whole-time equivalent staff numbers per 100 patients in these hospitals was as follows:

	Numbers
Lennox castle hospital	78·2
The Royal Scottish national hospital	90·2
All Scottish mental handicap hospitals	93·5

Note:
These ratios are expressed in terms of staff numbers per 100 "weighted" patients to reflect the fact that, in addition to in-patients, hospitals also treat out-patients and day patients.

Mental Illness Hospitals (Violent Incidents)

Dr. Godman asked the Secretary of State for Scotland what has been the number of violent incidents in mental

illness hospitals in Scotland in each of the past 10 years; and if he will make a statement on the trend revealed by these figures.

Mr. John MacKay: Althought a record is kept by the hospital authorities of all incidents involving violence of any degree to patients or staff, this information is not collated centrally. Apart from any other investigations carried out locally into such incidents, the Mental Welfare Commission for Scotland has a duty to inquire into any case where it appears to it that there has been any ill treatment of a person who may be suffering from a mental disorder.

Asbestos

Mr. Parry asked the Secretary of State for Scotland (1) if he has any plans to introduce further legislation to control asbestos pollution in Scotland; and if he will make a statement;

(2) what representations he has received asking him to introduce legislation to control asbestos pollution; and if he will make a statement.

Mr. Ancram: Eight representations on the need for further controls over asbestos in the environment have been received over the last two years.

The emission of asbestos is controlled under the Health and Safety (Emissions into the Atmosphere) Regulations 1983. The handling and disposal of asbestos waste is controlled under the Control of Pollution (Special Waste) Regulations 1980 and the Control of Pollution (Licensing of Waste Disposal) (Scotland) Regulations 1977, which are under review.

Mr. Parry asked the Secretary of State for Scotland if Her Majesty's Government have any plans to finance safe asbestos removal programmes in Scotland.

Mr. Ancram: No. The Government are opposed to wholesale asbestos replacement programmes since it is often preferable to leave asbestos materials undisturbed because they are already, or can easily be, securely protected.

Where asbestos treatment or removal is justified, expenditure for this purpose is a matter for local authorities and health boards which are best placed to identify any problems and to determine their own spending priorities. Nevertheless, my right hon. and learned Friend pays particular attention to any special needs brought to his attention in determining the resources to be made available to these authorities.

Hospital Patients (Transfers)

Mr. Millan asked the Secretary of State for Scotland how many patients are at present in the state hospital, Carstairs, whose transfer to an ordinary National Health Service hospital has been approved; and if he will give the names of the hospitals to which transfers have been approved and the number of patients concerned for each such hospital.

Mr. Rifkind: There are at present 15 patients in the State hospital whose transfer to an ordinary mental hospital has been approved. These patients are awaiting transfer to the following hospitals:

Hospital	*Number of patients*
Ailsa hospital, Ayr	2
Ayrshire central hospital, Irvine	1
Dykebar hospital, Paisley	3
Gartnavel Royal hospital, Glasgow	2
Gogarburn hospital, Edinburgh	3
Kirklands hospital, Bothwell	1
Lynebank hospital, Dunfermline	1
Merchiston hospital, Johnstone	1
Ravenscraig hospital, Greenock	1

Note: One of the 15 is a State patient.

Criminal Statistics

Mr. Dewar asked the Secretary of State for Scotland if he will give the total number of crimes recorded by the police in Scotland during the second six months of 1985, the number of crimes recorded in each category and the clear-up rates in total and by category.

Mr. Rifkind: The number of crimes recorded, by category, during the second half of 1985 is as set out. Information on clear-up rates is not available for periods of less than a year, as it is collected in an annual return for the year as a whole. Clear-up figures for 1985 will be published shortly.

Crimes Recorded, by Category: Scotland July to December 1985

	Number
Non-sexual Crimes of Violence	7,969
Crimes of Indecency	2,781
Crimes of Dishonesty	174,754
Fire-raising, Vandalism etc.	40,243
Other Crimes	10,303
Total Crimes	236,050

Dornoch Firth (Road Bridge)

Mr. Pollock asked the Secretary of State for Scotland if he will make a statement on his proposals for a road bridge over the Dornoch firth.

Mr. Rifkind: It is my intention to proceed with plans to construct a road bridge over the Dornoch firth. Subject to the availability of finance and the satisfactory completion of statutory procedures, construction of the approach roads is planned to begin in financial year 1987-88, with construction of the bridge structure to follow in 1988-89. My Department will be holding a design-and-build competition for the bridge, the first stage of which will be to issue an invitation at the beginning of July to selected competitors for the submission of design proposals.

EDUCATION AND SCIENCE

GCSE (Funding)

Mr. Thurnham asked the Secretary of State for Education and Science what measures will be taken to ensure that funds allocated specifically for the general certificate of secondary education are used exclusively for that purpose; and if he will make a statement.

Mr. Chris Patten: So far some £90 million is being targeted in support of the introduction of the GCSE. The Government are supporting expenditure of £40 million on

books and equipment, £20 million in this current year and £10 million in each of the next two years, and have also committed some £10 million towards the in-service training of GCSE teachers. Moreover, local authorities have planned for an allocation to the GCSE of some £40 million in this current year.

Of the £40 million expenditure on books and equipment for the GCSE, £35 million is to be supported by education support grant: under the education support grant regulations, local authorities have to secure from their auditors a certificate that expenditure was incurred on the activities for which approval was given. The allocation of £5 million being made available for the provision of scientific and technological equipment is a matter being considered by my right hon. and noble Friend the Secretary of State for Employment in conjunction with the Manpower Services Commission.

As to the funds for training, local authorities are required to certify that teachers have been released to attend GCSE training courses in order to qualify for grant under the in-service teacher training grants scheme.

Teachers

Mr. Gerald Bowden asked the Secretary of State for Education and Science how many teachers were employed by local education authorities in England in January; and what is his estimate of the pupil-teacher ratio.

Mr. Kenneth Baker: In January 1986 local education authorities in England employed the full-time equivalent of 402,900 teachers for service in nursery, primary and secondary schools. On the basis of estimated pupil numbers, the overall ratio of pupils to teachers is now at its best ever level of 17.6:1. This is a significant improvement on the 1979 ratio of 18.9:1.

Examinations (Statistics)

Mr. Richard Page asked the Secretary of State for Education and Science (1) if he will give the numbers of children in England and Wales who have taken A-levels in each year over the last 10 years, the number of subjects taken and the number of passes; and if he will give corresponding details for Hertfordshire;

(2) if he will give the numbers of children in Hertfordshire who have taken O-levels in each year over the last 10 years, the number of subjects and the number of passes;

(3) if he will give the numbers of children in Hertfordshire who have taken the certificate of secondary education each year over the last 10 years, the number of subjects taken and the number of passes;

(4) if he will give the numbers of children in England and Wales who have taken the certificate of secondary education each year over the last 10 years, the number of subjects taken and the number of passes;

(5) if he will list the number of children in England and Wales who, on reaching school leaving age, have not taken certificate of secondary education or O-level exams, over the last 10 years; and if he will list corresponding details for Hertfordshire;

(6) if he will list the numbers of children in England and Wales who have taken O-levels in each year over the last 10 years, the number of subjects taken and the number of passes.

Mr. Dunn: The information requested is shown in the following tables:

Table A
Leavers from maintained schools
GCE A-level attempts and achievements
(Thousands)

Academic year	*Number attempting A-level*	*Number of subjects attempted*	*Number of subjects passed*
England			
1974-75	88·06	248·93	182·02
1975-76	91·87	262·75	194·75
1976-77	98·46	281·38	204·44
1977-78	99·54	289·06	213·62
1978-79	99·75	291·80	215·17
1979-80	102·12	302·06	221·35
1980-81	105·99	313·14	231·34
1981-82	114·99	340·32	248·09
1982-83	119·67	351·78	257·64
1983-84	116·14	343·47	252·63
1984-85	109·29	327·37	243·33
Hertfordshire			
1974-75	2·85	7·66	5·79
1975-76	3·04	7·85	5·80
1976-77	3·43	9·04	6·33
1977-78	3·43	9·39	7·01
1978-79	3·33	9·07	6·68
1979-80	2·77	7·45	5·51
1980-81	3·27	8·80	6·44
1981-82	3·78	10·14	7·19
1982-83	3·69	10·10	7·62
1983-84	3·59	10·04	7·95
1984-85	3·36	8·94	6·56

Table B
Leavers from maintained schools
GCE O-level attempts and achievements
(Thousands)

Academic year	*Number attempting O-level*	*Number of subjects attempted*	*Number of subjects passed grades A-C*	*Number of subjects passed any grade*
England				
1974-75	280·03	1,453·59	950·68	1,147·56
1975-76	301·29	1,543·27	986·08	1,247·27
1976-77	342·89	1,710·04	1,076·31	1,368·67
1977-78	358·06	1,788·05	1,121·47	1,442·47
1978-79	377·24	1,870·66	1,162·23	1,507·03
1979-80	391·85	1,934·49	1,209·32	1,565·57
1980-81	388·71	1,931·90	1,221·09	1,567·10
1981-82	412·56	2,060·76	1,312·16	1,674·74
1982-83	438·00	2,160·18	1,373·29	1,757·03
1983-84	445·15	2,171·06	1,369·54	1,757·57
1984-85	446·58	2,177·05	1,346·71	1,759·77
Hertfordshire				
1974-75	8·10	42·99	29·17	34·59
1975-76	8·33	45·29	29·44	36·45
1976-77	9·82	53·12	34·28	42·87
1977-78	10·43	56·00	35·59	45·43
1978-79	9·76	55·09	35·37	45·33
1979-80	10·19	55·22	33·28	43·99
1980-81	10·25	57·12	35·34	45·97
1981-82	11·16	63·42	40·34	51·36
1982-83	11·66	65·04	41·36	53·55
1983-84	10·81	60·40	39·54	50·07
1984-85	11·11	60·00	37·84	48·77

TABLE C
Leavers from maintained schools
CSE attempts and achievements

(Thousands)

Academic year	*Number attempting CSE*	*Number of subjects attempted*	*Number of subjects passed grade 1*	*Number of subjects passed and grade*
England				
1974-75	419·58	1,968·73	257·75	1,793·42
1975-76	449·27	2,139·15	290·11	1,959·69
1976-77	494·62	2,407·12	330·97	2,211·77
1977-78	514·32	2,552·59	343·34	2,349·93
1978-79	534·84	2,691·44	358·25	2,478·74
1979-80	552·61	2,793·02	359·04	2,576·86
1980-81	547·70	2,820·06	365·48	2,617·31
1981-82	566·42	2,951·85	389·97	2,746·56
1982-83	587·95	3,086·12	420·20	2,877·71
1983-84	582·54	3,036·68	426·85	2,830·38
1984-85	569·43	2,956·58	427·64	2,767·97
Hertfordshire				
1974-75	10·18	46·23	6·00	40·92
1975-76	9·93	45·40	7·57	41·26
1976-77	12·14	57·79	9·98	52·49
1977-78	12·25	57·38	9·45	52·67
1978-79	11·71	53·69	9·13	48·53
1979-80	12·56	60·84	9·52	56·10
1980-81	12·74	60·57	9·81	55·08
1981-82	12·88	62·05	9·93	55·78
1982-83	13·74	66·84	10·84	61·29
1983-84	12·83	62·36	10·21	56·45
1984-85	13·10	64·38	10·43	59·14

TABLE D
Leavers from maintained schools

(Thousands)

Academic year	*Number of leavers who did not attempt a GCE O level or CSE examination*		*Total number of leavers*	
	England	*Hertfordshire*	*England*	*Hertfordshire*
1974-75	112·37	1·42	608·84	13·52
1975-76	101·82	1·18	624·73	12·75
1976-77	96·51	0·96	665·13	14·79
1977-78	95·01	1·08	682·20	15·11
1978-79	86·40	1·02	693·84	14·22
1979-80	82·51	1·06	706·11	15·10
1980-81	75·96	1·05	689·89	15·13
1981-82	72·79	0·76	706·69	15·36
1982-83	66·90	1·00	721·81	16·36
1983-84	64·12	0·77	708·60	15·13
1984-85	63·10	1·15	690·99	15·49

Village Schools

Mr. Nicholas Baker asked the Secretary of State for Education and Science what representations he has received about the continuing need for small village schools in rural areas in the light of paragraphs 272-75 of the White Paper "Better Schools", dealing with minimum size of school; and if he will make a statement.

Mr. Dunn: The White Paper "Better Schools" offered guidance on the minimum size of schools as a basis for discussion with the partners in the education service. In subsequent discussions the question of small rural primary schools has been raised on a number of occasions. The White Paper makes it clear that in isolated communities it is often right to retain a small village school; and education support grant has been made available for pilot projects to examine educationally and cost effective ways improving the quality and range of the curriculum in such schools.

Warwickshire

Mr. Pawsey asked the Secretary of State for Education and Science if he can give details of funding made to the Warwickshire county council for educational purposes during 1984-85; and what will the amount be in 1985-86.

Mr. Chris Patten: Government specific grants to Warwickshire county council to support expenditurere on education totalled £8·6 million in 1984-85. This figure is based on outturn information supplied by the authority. Outturn information is not yet available for 1985-86, but the equivalent figure is estimated to be some £9·1 million. Both these figures include the grant paid to support the authority's expenditure on mandatory student awards, which was £7·5 million in 1984-85 and £7·7 million in 1985-86.

In addition to specific grant, Warwickshire receives rate support grant. This is paid in respect of all its services and it is not possible to identify a particular element as being for educational purposes.

Occultism

Mr. Greenway asked the Secretary of State for Education and Science what guidance Her Majesty's inspectors are giving to schools and local education authorities relating to the teaching of occultism; and if he will make a statement.

Mr. Chris Patten: Her Majesty's inspectors have issued no guidance relating to the teaching of occultism. If during their visits to schools they come across teaching which they consider in some way detrimental to the children concerned, they will draw it to the attention of the headteacher and, if considered serious enough to warrant it, of the local education authority. I urge parents to do the same and, if necessary, to complain to my right hon. Friend, who will have the matter investigated.

NUT (Membership)

Mr. Lilley asked the Secretary of State for Education and Science what information he has about the proportion of teachers who are members of the National Union of Teachers in *(a)* primary and nursery schools, *(b)* secondary schools and *(c)* all schools.

Mr. Chris Patten: Information in respect of *(a)* and *(b)* above is not available. In December 1984-January 1985 it is estimated that about 45 per cent.* of teachers in all maintained schools in England and Wales were members of the NUT.

* This figure has been derived from the following figures:
(1) The membership figure (216,138) as claimed by the NUT for the number of fully paid up part-time and full-time members statutorily entitled to salaries determined by the Burnham primary and secondary committee and paid accordingly by an LEA in England and Wales as at 31 December 1984. Such figures were sought by the Department from the teacher unions for the purpose of the review of the Burnham primary and secondary committee in 1985.
(2) The total number of part-time and full-time teachers employed in maintained schools in England and Wales in January 1985 as collected by DES — 476,325.

Students (Fees)

Mr. Austin Mitchell asked the Secretary of State for Education and Science what estimate he has of the percentage rise in the fees for students studying for PhDs on a part-time basis for the next academic year, and of the effect this will have on completion rates.

Mr. Walden: The level of fee to be charged to part-time students is a matter for individual universities.

Universities (Community Funding)

Mr. Clay asked the Secretary of State for Education and Science what account was taken, in arriving at the new formula for community funding through the University Grants Committee, of the additional costs borne by universities in the north-east for *(a)* heating and *(b)* travel to London.

Mr. Walden: None.

Assisted Places Scheme

Mr. Nellist asked the Secretary of State for Education and Science if he will give, for each year for which statistics are available, and to the latest available date, such information that he has as to *(a)* the cost of the assisted places scheme, *(b)* the proportion of successful candidates who were already receiving their schooling in the independent section, or who had brothers and sisters receiving such education, *(c)* the average income of families who have used the assisted places scheme, and *(d)* what are the ages of transfer of the pupils who have moved from the state sector using the assisted places scheme.

Mr. Dunn [*pursuant to his reply*, 16 June 1986, c. *383*]: The information requested at *(a)* and *(b)* is as follows:

	1981-82	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Expenditure on the assisted places scheme (£ million financial year)	3·022	8·691	14·995	22·152	29·569
Percentage of pupils* from other than publicly maintained schools (all intakes)	32·3	33·5	32·1	31·3	30·6

* Information about the siblings of assisted pupils is not collected.

As to *(c)*, the average relevant income of families using the assisted places scheme was £7,338 per annum in 1985-86. On *(d)*, the normal age of entry to the scheme will normally be at 11 or 13, but will vary from school to school. Some assisted places are also available for direct entry into the sixth form.

ENERGY

British Gas

Mr. Hannam asked the Secretary of State for Energy what progress has been made towards the privatisation of British Gas; and if he is able to announce further details.

Mr. Peter Walker: Since my statement to the House about gas privatisation last May, the Gas Bill has received its Third Reading and is nearing Report stage in another place. I am now able to give the House further details of the basis on which, subject to passage of the legislation, the Government intend to sell the equity in British Gas plc in the autumn.

The new company's balance sheet will contain both debt and equity. This is in line with normal commercial practice. After careful consideration, the Government have decided that the debt element should be fixed at £2·5 billion. This will ensure a properly balanced capital structure while leaving the company full opportunity for business development and growth.

The Gas Bill provides the necessary powers for the Government to assume responsibility for the existing British Gas Corporation 3 per cent. guaranteed stock, which relates to liabilities incurred during nationalisation in 1948. This will be transferred to the national loans fund, which will then assume liability for the service and redemption of the stock. There will be no compensatory payment into the NLF to balance this liability, which will therefore be met from the Consolidated Fund as authorised by the money resolution passed by the House on 10 December 1985.

The gas levy, which is a tax on gas supply from offshore fields not subject to petroleum revenue tax, will decline over time in importance as the proportion of total supply from these fields reduces. The Government have decided that, as provided for in the Bill, the levy will continue at its present rate of 4p per therm.

The value of X in the regulatory formula relates to the onshore component in the maximum price chargeable to tariff consumers. It is important that X should be set so as to provide a continuing incentive for the company to contain onshore costs directly within its control and to ensure that consumers participate in the benefits of cost containment. After careful examination, I have decided that the appropriate value for the initial five-year period of the regulatory formula will be two. This will ensure that the element of the charge to tariff customers covering the delivery of gas is held at a level 2 per cent. below the rate of inflation, while the gas itself will be charged at prices under long-term contracts which are influenced by movements in oil prices, exchange rates and other factors. The formula will set a demanding discipline for the company to meet while leaving opportunities for a profit-oriented management to work for still better performance. The regime will be kept under scrutiny by the Director-General of OFGAS.

It is our intention that British Gas employees, past and present, should have every encouragement to take a stake in the new company and the Government will be offering suitably attractive terms. Most employees will be eligible for free shares worth around £70 plus £2 for each year of service. In addition, the Government will provide two free shares for each share purchased by an employee, up to a maximum of £300 of free shares for £150 purchased. It will also be open to employees to purchase up to £2,000 worth of shares at a discount of 10 per cent. For British Gas

pensioners there will be a free offer worth around £75. Both pensioners and employees will be able to apply on a priority basis for additional shares. The free and matching offers for employees will be available to all in continuous employment from 1 May 1986 who are contracted to work at least 16 hours a week.

The British Gas offer for sale will bring within reach of everyone the chance to share in the fortunes of a major and successful enterprise. Details of the special arrangements for share purchase we shall be making available to small investors will be announced at a later stage. These will include arrangements for domestic gas customers who register their interest in advance to purchase a guaranteed allotment of a certain number of shares.

The provisions I have announced today mark a further step towards realising a historic opportunity which will be good not only for gas consumers and all who work in the industry, but for the millions of members of the public who will be able to own shares.

Nuclear Power

Mr. Austin Mitchell asked the Secretary of State for Energy, pursuant to his reply to the hon. Member for Bedfordshire, North (Sir T. Skeet), 12 May, *Official Report*, column *334*, if he will list all those organisations and individuals who have made representations to his Department advocating the increased use of nuclear power in the United Kingdom in the period since 1 April.

Mr. Goodlad: My Department receives widespread representations in favour of cheaper electricity from organisations and individuals ranging from large industrial users to small domestic consumers. The Government believe that safe nuclear power has an essential contribution to make in the provision of electricity economically.

Electricity Generation

Mr. Bruce asked the Secretary of State for Energy what is the total capacity of the generating stations for England and Wales; what is the capacity in each of the 12 area boards in England and Wales; and what is the maximum recorded demand for electricity in England and Wales and for each of the 12 area boards.

Mr. Goodlad: The CEGB and the Electricity Council advise that the figures are as follows:

1. *Generating Capacity (England and Wales)*
The declared net capability of the Central Electricity Generating Board at 31 March 1985 was 51,127 MW sent out (MWSO). Generation capacity operated by the 12 area boards was negligible.

2. *Maximum Recorded Demand (England and Wales)*
The maximum demand on the CEGB was 46,219 MWSO on 17 January 1985. The recorded figures for maximum demands on each of the 12 area boards during 1984-85 were as follows:

	Demand on CEGB MW	*Demand on other sources** MW
LEB	4,042	—
SEEB	3,600	—
SEB	4,995	—
SWEB	2,407	—
EEB	5,594	10
EMEB	4,078	—
MEB	4,392	†15
SWALEB	1,964	22
MANWEB	3,008	2
YEB	4,066	1
NEEB	2,630	—
NWEB	3,968	—

* Excludes sales from one board to another.
† Area board's own generation

Gas Levy

Mr. Bruce asked the Secretary of State for Energy if he has any plans to reduce the gas levy.

Mr. Buchanan-Smith: I refer to the reply given today by my right hon. Friend to my hon. Friend the Member for Exeter (Mr. Hannam).

Overhead Power Cables

Mr. Gareth Wardell asked the Secretary of State for Energy (1) if he will consider providing funds for research in the United Kingdom into all aspects of the environmental effects of electromagnetic fields;

(2) what information he has as to research studies investigating the possibilities of adverse effects on human health arising from residence in close proximity to high voltage overhead power cables.

Mr. Goodlad: Information on research into possible effects on human health from high voltage overhead power lines has been published in the medical and electrical press and in conference reports. My right hon. Friend the Secretary of State has received an annual report from the Central Electricity Generating Board on its own research and worldwide monitoring programme in this field. The board's programme has been subject to independent review by its epidemiology advisory committee and by my right hon. Friend's Advisory Council on Research and Development. I am advised that the research has given no reason to suppose that electric or magnetic fields or air-ions as normally encountered by people living or working near power transmission plant in the United Kingdom are harmful to health. The Government see no need to fund an increase in the programme.

Mr. Gareth Wardell asked the Secretary of State for Energy if he has any plans to restrict the erection of high voltage overhead power cables near to occupied dwellings.

Mr. Goodlad: The Government have no plans to introduce new restrictions on the erection of high voltage overhead power lines near to occupied dwellings.

HOME DEPARTMENT

Police National Computer

Mr. Lord asked the Secretary of State for the Home Department whether he will now publish the report by the Police Complaints Authority on access by police officers to information stored on the police national computer; and if he will make a statement.

Mr. Hurd: The report was published yesterday. It contains recommendations designed to strengthen the

control of access by police officers to information stored on the police national computer. My Department will draw the report to the attention of all chief officers of police. In addition, its recommendations are being studied by the Police National Computer Board to determine what further action is required, in consultation with the Association of Chief Police Officers and with Her Majesty's Inspectorate of Constabulary, to ensure that misuse of the computer facility does not occur again.

I take this opportunity to record my thanks to the Police Complaints Authority for its valuable examination of this matter.

Prison Governors (Uniform)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what proposals he has for prison governors to wear uniform; and if he will make a statement.

Mr. Hurd: This issue was raised in the report of the "Review of Management Structure in Prison Service Establishments", on which I hope to announce my intentions shortly.

Victim Support Scheme

Mr. Tony Lloyd asked the Secretary of State for the Home Department what recent representations he has received regarding the victim support scheme.

Mr. Hurd: I have received representations from the parliamentary all-party penal affairs group and, through hon. Members, from a number of local victims support schemes seeking increased central Government funding for victims support. The National Association of Victims Support Schemes has also submitted comments on the White Paper "Criminal Justice: Plans for Legislation". The extent of Government support for local schemes was described in the reply given by my hon. Friend the Member for Putney (Mr. Mellor) on 24 April, at column 188. In addition, substantial help is given to the National Association of Victims Support Schemes.

Day Prisons

Mrs. Virginia Bottomley asked the Secretary of State for the Home Department what recent representations he has received advocating the introduction of day prisons; and whether he will make a statement.

Mr. Hurd: The parliamenary all-party penal affairs group has recently re-affirmed support for a system of intermittent custody. Most of the organisations which have commented on the Government's decision, announced in the recent White Paper on "Criminal Justice", not to introduce such a system have supported the Government's line.

Prison Officers Association

Mr. Tom Cox asked the Secretary of State for the Home Department if he will make a statement on his Department's present discussions with the Prison Officers Association.

Mr. Hurd: I would refer the hon. Member to the reply given to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 14 May, at columns 464-66. I understand that the national executive committee of the Prison Officers' Association is arranging to ballot the association's members and will be recommending the calling-off of the industrial action: the ballot is likely to take place around the beginning of July and the result should be known about a week later.

Italian Terrorists (Extradition)

Mr. Winnick asked the Secretary of State for the Home Department if he will now take steps to deport Roberte Fiore and four other Italian nationals who have been convicted of terrorist offences in Italy; and if he will make a statement.

Mr. Hurd: I am continuing to keep these cases under review.

Hull Prison

Mr. Barron asked the Secretary of State for the Home Department how many people under the age of 21 years are on remand in Hull prison.

Mr. Hurd: On 17 June 1986 there were 131 untried prisoners aged under 21 in Her Majesty's prison and remand centre, Hull.

Mr. Norman William Davis

Mr. Terry Davis asked the Secretary of State for the Home Department when the case of Mr. Norman William Davis, a prisoner detained at Featherstone prison, was considered by the local review committee; when the views of the judiciary were requested and received by his Department; when the case was referred to the Parole Board by his Department; when the case was considered by the Parole Board; when the recommendation of the Parole Board was received by his Department; and when he expects to take a decision on its recommendation.

Mr. Hurd: The information requested is as follows:

Date of local review committee consideration:
18 December 1984.
Date papers sent to judiciary:
18 December 1985.
Date papers received back from judiciary:
14 January 1986.
Date papers sent to the Parole Board:
21 May 1986.
Date case considered by the Parole Board:
4 June 1986.
Date recommendation received from Parole Board:
17 June 1986.

I would expect to consider the board's recommendation within the next fortnight.

Immigration

Mr. Kaufman asked the Secretary of State for the Home Department if, pursuant to his answer of 12 June to the hon. Member for Dewsbury (Mr. Whitfield) *Official Report*, column *270* in which it was stated that the guidelines on immigration cases appear to be working satisfactorily, he will inquire into why the immigration service breached these guidelines on 13 June by informing Mr. Shahed Saleem at Ringway airport that he must return to Pakistan by 15 June, although at the time of this instruction Mr. Saleem's case was still under consideration by his Department and no decision on it had been communicated to the right hon. Member for Manchester, Gorton.

Mr. Hurd: The right hon. Member expressed his first interest in this case on the evening of 10 May, the day of the passenger's arrival. He asked that Mr. Saleem, who had not at that stage been refused entry, should be interviewed quickly, but that if further inquiries were needed these should be conducted at Manchester airport. The case was transferred to Manchester airport and the passenger was refused entry on 13 June. The chief immigration officer at Manchester was aware of the right hon. Member's earlier interest, but assumed, mistakenly, that this was confined to the initial delay in interviewing Mr. Saleem. Removal directions were accordingly set for 15 June. These were cancelled when the right hon. Member confirmed that he wished to make representations on the case. The chief immigration officer should have realised from the right hon. Member's earlier intervention that representations were likely to be submitted in the event of refusal of entry.

The action taken was not in my view a breach of the guidelines, but directions should not have been set without a check first being made about the right hon. Gentleman's possible wish to make representations, given his earlier involvement in the case.

EMPLOYMENT

Enterprise Agencies

35. **Mr. Kenneth Carlisle** asked the Paymaster General how many enterprise agencies now operate in Great Britain.

Mr. Trippier: There are currently 314 local enterprise agencies throughout Great Britain, of which 249 are approved under the terms of the 1982 Finance Act, which allows business sector sponsors tax relief on their contributions to such bodies.

Job Safety

Mr. Pike asked the Paymaster General what representations he has received in the last three months concerning job safety.

Mr. Trippier: Ministers in this Department have received 42 letters from industrialists, trades unions and members of the public concerning job safety over the last three months. On 8 May my right hon. and learned Friend met the Health and Safety Commission to discuss Crown immunity.

Training

Mr. John Carlisle asked the Paymaster General what representations he has received from religious organisations which find that their members, for reasons of conscience, are unable to complete courses administered by the construction industry training board for the joint industry board for the electrical contracting industry.

Mr. Trippier: I have recently received a number of representations from members of religious organisations who feel that individuals with their beliefs cannot, in conscience, register as apprentices with the joint industry board for the electrical contracting industry. I have asked the chairman of the Manpower Services Commission to draw the matter to the attention of the construction industry training board and the joint industry board to see whether a solution can be found which satisfies all parties concerned.

Mr. John Carlisle asked the Paymaster General whether he will bring forward legislation to enable trainees, who for reasons of conscience, are unable to obtain grants or complete training schemes initiated by the Manpower Services Commission, to obtain some form of exemption in the pursuit of the relevant qualifications.

Mr. Trippier: No. I am concerned, however, that neither trainees' freedom to undertake training, nor financial support for training, should be restricted for these reasons. I have asked the chairman of the Manpower Services Commission to look carefully at the small number of cases recently drawn to my attention where trainees have reported difficulties.

Retail Prices Index

Mr. D. E. Thomas asked the Paymaster General if fixed charges for energy supplies and water services are included when compiling the retail prices index; and if he will make a statement.

Mr. Lang: Yes. Practically all goods and services on which households spend their money are covered by the retail prices index, including both fixed and unit charges for energy and other services.

Disabled People (Rehabilitation)

Mr. Carter-Jones asked the Paymaster General if Her Majesty's Government will now ratify International Labour Organisation convention 159 on the rehabilitation of disabled people; and if he will make a statement.

Mr. Lang: In a White Paper (Cmnd. No. 9417) laid before Parliament on Friday 21 December 1984, my right hon. Friend the Secretary of State for Employment announced the Government's decision not to ratify convention 159. The White Paper gave clear reasons why the Government were unable to proceed with ratification and the position remains unchanged.

Benefit Entitlement

Mr. Robin F. Cook asked the Paymaster General, further to the answer to the hon. Member for Oldham, West (Mr. Meacher) on 19 May, *Official Report*, column *48*, if he will state the last occasion when his Department issued instructions specifying members of a specific occupation or profession who were not to be advised on their entitlement to benefit.

Mr. Lang: It has not in the past been necessary to refer to specific occupational groups in connection with the standing instruction to which I referred in my reply to the hon. Member for Oldham, West (Mr. Meacher). The miner's position is unique in that a decision on the timing of their claim could effect not only benefit entitlement but also entitlement to payment under the redundant mineworkers payments scheme. Their position was further complicated by the possible loss of national insurance contributions during the industrial dispute which ended in March 1985. It was particularly important, therefore, that this group of potential claimants were not misdirected.

Asbestos-related Diseases

Mr. Parry asked the Paymaster General how many persons have died from asbestos-related diseases in Scotland in each of the last five years.

Mr. Trippier: The following tables gives the numbers of death certificates which mention the asbestos-related diseases asbestosis mesothelioma. Some deaths involving mesothelioma may not be related to asbestos. The most recent figures are for 1984.

Death certificates mentioning asbestos-related diseases

	1980	*1981*	*1982*	*1983*	*1984*
Scotland					
Asbestosis without mesothelioma	13	18	10	13	9
Asbestosis with mesothelioma	1	3	3	2	2
Mesothelioma without asbestosis	52	53	50	44	54
Total	66	74	63	59	65

In addition, studies have shown that workers heavily exposed to asbestos in the past now suffer a significantly higher incidence of lung cancer than the general population. There are, however, no figures of the total numbers of asbsetos-related deaths from this disease.

Technical and Vocational Education Initiative

Mr. Madel asked the Paymaster General what plans he has to extend the technical and vocational education initiative courses to all secondary schools in England; and if he will make a statement.

Mr. Trippier: The Government are considering the wider application of the lessons emerging from the technical and vocational education initiative.

The Government's objective is that all young people should have the opportunity of following a more relevant and practical curriculum.

PRIME MINISTER

Indictable Offences

Mr. Peter Bruinvels asked the Prime Minister (1) what has been the rate of indictable offences per 1,000 population per annum in each of the last five years *(a)* in Great Britain and *(b)* in Northern Ireland; to what the difference is attributed; and if she will make a statement;

(2) what has been the rate of car thefts per 1,000 vehicles per annum in each of the last five years *(a)* in Great Britain and *(b)* Northern Ireland; to what the difference is attributed; and if she will make a statement.

The Prime Minister: Comparisons of recorded crime in different parts of the United Kingdom can only be approximate because of differences in law and recording practice. Such figures as are available are given in the following table. It is not possible to attribute differences in recorded crime between Great Britain and Northern Ireland to any single cause. In Scotland the classification and recording practices are appreciably different, and few valid comparisons can be made.

Offences recorded by the police

	Offences recorded per 1,000 population			*Theft or unauthorised taking of motor vehicles per 1,000 population*	
	*England and Wales**	*Scotland†*	*Northern Ireland‡*	*Great Britain*	*Northern Ireland*
1980	54·6	70·7	37·5	18·6	11·4
1981	59·7	78·8	41·4	18·9	11·7
1982	65·8	84·2	41·7	19·4	11·3
1983	65·5	87·0	41·0	17·6	13·6
1984	70·5	92·2	42·8	18·2	12·6
1985	72·6	89·9		18·8	

* Notifiable offences including all offences of criminal damage.
† The offences covered for Scotland are those called crimes.
‡ Indictable crimes, excluding offences of criminal damage of value less than £200.

Nuclear-free Zones

Mr. Peter Bruinvels asked the Prime Minister if, pursuant to her answer to the hon. Member for Leicester, East of 4 June, she will take steps to ensure the compilation and maintenace of a central list of local authorities which have declared a nuclear-free zone in their area; and if she will make a statement.

The Prime Minister: Since we do not recognise the validity of so-called nuclear-free zones, the Government do not consider that it would be appropriate to require local authorities to provide information of this kind, nor that the expense involved would be justified.

Disabled Persons

Mr. Carter-Jones asked the Prime Minister if, in the light of its participation in the international expert meeting on legislation and equalisation of opportunities for disabled persons held in Vienna between 2 and 6 June, Her Majesty's Government will make a contribution to the United Nations trust fund for the decade of disabled persons; and if she will make a statement.

The Prime Minister: We support the general aims of the United Nations world programme of action concerning disabled persons. However, it is not our intention to contribute to the voluntary fund for the United Nations decade of disabled persons. We prefer to support specific projects of benefit to the disabled directly through our bilateral aid programme.

South Africa

Mr. Frank Field asked the Prime Minister if she will take steps to ensure that the respective versions of the new code of conduct for European companies operating in South Africa currently being circulated by the Foreign and Commonwealth Office and the Department of Trade and Industry correspond exactly in their wording, with particular reference to the revised definition of minimum wage levels recently agreed by EEC Ministers; if she will make it the practice of Her Majesty's Government to use the version issued by the Foreign and Commonwealth Office as the basis of its policy towards South Africa; what steps Her Majesty's Government propose to take to implement the code in the United Kingdom; and if she will make a statement.

The Prime Minister: All Government Departments are implementing the code as agreed by EC Foreign Ministers on 19 November 1985, a copy of which was deposited in the Library of the House. The Government are encouraging British companies with interests in South Africa to comply fully with the provisions of the revised code.

SOLICITOR-GENERAL FOR SCOTLAND

Sexual Offences (Prosecution)

Dr. Godman asked the Solicitor-General for Scotland what is the policy of his Department concerning the prosecution of cases of sexual offences where the complainers are children and there are no other witnesses available to give evidence.

The Solicitor-General for Scotland: The policy, as reflected in departmental regulations, is to treat all offences against young children, especially those at continuing risk, as matters of especial concern. Procurators Fiscal are directed to prosecute such offences without delay in the sheriff court or High Court.

Provided sufficient evidence in law is available, the public interest will usually require that such cases be prosecuted unless there are very good reasons for not so doing. Examples of such reasons might be that the accused person is himself a child, in which case his referral to the Reporter to the Children's Panel will be considered as an alternative to prosecution, and the possibility that the ordeal for the child of giving evidence would outweigh any advantage to be gained from a prosecution.

There is no minimum legal age limit for children as witnesses, but Procurators Fiscal must satisfy themselves that children are able to give credible and comprehensive evidence, and understand the obligation to speak the truth. Procurators Fiscal are advised to interview chidren themselves, if in doubt, on these questions. Provided at least two children satisfying these requirements are available to give evidence, a prosecution can take place. If individual children speak to similar conduct by the accused, albeit on different occasions, the rule in HMA *v.* Moorov may be applied to create a sufficiency of evidence.

Dr. Godman asked the Solicitor-General for Scotland how many cases his Department has considered in each of the past seven years of allegations of sexual offences against children; and in how many such cases a decision has been taken not to proceed on the grounds that no prosecution witness would be available other than the child concerned.

The Solicitor-General for Scotland: The information is not held centrally and could not be obtained without disproportionate cost.

ENVIRONMENT

Local Authority Housing

Mr. Chris Smith asked the Secretary of State for the Environment what plans he has to collect and publish regular information concerning *(a)* the number of housing units disposed of by local authorities to private developers for refurbishment or redevelopment, *(b)* the number of housing units made available under such schemes (i) for fair rent, (ii) for sale under a low cost home ownership scheme and (iii) for sale at market value, *(c)* the number of housing units made available under such schemes which have subsequently been let to or purchased by (1) former tenants of the properties, (2) council tenants on the local authority's transfer list, (3) households on the local authority's waiting list and (4) homeless households; and *(d)* where the units refurbished or redeveloped are for sale, the resale price of the properties.

Sir George Young: Information will be collected quarterly, as from the current quarter, about the number of local authority dwellings sold to private developers or to housing associations for refurbishment and resale. Arrangements for publication have not yet been decided. I am considering whether regular information might also be collected about the subsequent use of such dwellings and, if appropriate, I shall consult the local authority associations.

Mr. Chris Smith asked the Secretary of State for the Environment what research has been conducted by his Department into what existing local authority tenants would prefer their homes to be managed or owned by *(a)* housing associations, *(b)* building societies and *(c)* non-profit making trusts.

Sir George Young: As the preferences of tenants are bound to depend on the circumstances of a particular case, the primary need is for full consultation with the tenants concerned before any proposed scheme receives approval. At Thamesmead, tenants expressed a clear preference in a referendum for ownership and management by a non-profit distributing company controlled by the residents, as opposed to a trust controlled by the local authority. My Department is also carrying out research on the attitudes of tenants and owners who live in different types of co-operatives.

Mr. Chris Smith asked the Secretary of State for the Environment what information his Department has about the instance where local authority tenants have initiated a proposal that their landlord *(a)* delegate the management of their homes or *(b)* dispose of the ownership of their homes to (i) a housing association, (ii) a building society, (iii) a private trust or (iv) a private developer; and whether he can provide information on what results have arisen from any such proposal.

Sir George Young: Many local authority tenants are dissatisfied with the management of their homes, and would welcome either improved management by the local authority, or transfer of the ownership or management to them or to another body. The urban housing renewal unit in my Department is discussing with local authorities a wide range of options for their difficult-to-manage estates. However, it is the responsibility of local authorities to draw up specific proposals in consultation with their tenants.

Mr. Chris Smith asked the Secretary of State for the Environment (1) what research his Department has conducted concerning *(a)* the inclination, *(b)* the capacity and *(c)* the experience of building societies to take over (i) the management and (ii) the ownership of local authority rented housing stock;

(2) what research his Department has conducted concerning *(a)* the inclination, *(b)* the capacity and *(c)*

the experience of housing associations to take over (i) the management and (ii) the ownership of local authority rented housing stock.

Sir George Young: The building societies have been examining how best they might use the new powers proposed in the Building Societies Bill and how they might be able to co-operate with the public sector in the improvement and better management of housing estates, while looking after the interests of their savers. We shall want to discuss the societies' ideas with local authorities and with housing associations. A study being carried out for my Department by the Centre for Housing Research at Glasgow university will collect information about the respective attitudes of local authority and housing association tenants to a wide range of housing management practices.

Gipsies

Mr. Soley asked the Secretary of State for the Environment (1) how many gipsies are estimated to be resorting to or residing in each of the countries in England; and when these estimates were made;

(2) whether he will list those local authorities which have caravan sites deemed to be adequate under the Caravan Sites Act 1968 and which do not;

(3) what information he has as to how many separate caravan sites have been provided in each county; and how many pitches are accommodated on those sites.

Mr. Tracey: At the January 1986 count of caravans conducted by district and London borough councils in England, a total of 10,592 gipsy caravans were recorded. The tables are placed in the House of Commons Library and contain detailed breakdowns by region, county and district. They record the numbers of caravans on authorised private gipsy sites in each authority's area, as well as on sites provided by the authorities themselves. A list of those local authority sites is also in the Library. The question whether individual sites are adequate at any given time is dependent on the circumstances at that time and in that place.

Caravan Sites

Mr. Soley asked the Secretary of State for the Environment which local authorities are designated under the Caravan Sites Act 1968.

Mr. Tracey: The following local authority areas have been designated:

London Boroughs
- Barking
- Bexley
- Camden
- Croydon
- Enfield
- Greenwich
- Hammersmith and Fulham
- Havering
- Hillingdon
- Islington
- Kensington and Chelsea
- Kingston-upon-Thames
- Lambeth
- Lewisham
- Merton
- Newham
- Redbridge
- Richmond-upon-Thames
- Sutton
- Waltham Forest
- Wandsworth
- Westminster

Metropolitan Districts
- Oldham
- Trafford
- Rochdale

Areas of former County Boroughs
- Bolton
- Bury
- Leeds
- Lincoln
- Manchester
- Oxford
- Plymouth
- St. Helens
- Stoke-on-Trent
- Wolverhampton

Counties and Districts
- Bedfordshire—
  - Luton
  - South Bedfordshire
- Berkshire—
  - Windsor and Maidenhead
- Buckinghamshire—
  - Aylesbury Vale
  - Chiltern
  - Milton Keynes
  - South Bucks
- Cambridgeshire—
  - Huntingdonshire
  - Peterborough
- Cheshire—
  - Chester
- Cleveland—
  - Hartlepool
  - Middlesborough
  - Stockton-on-Tees
- Derbyshire—
  - Bolsover
  - Chesterfield
  - High Peak
  - North East Derbyshire
  - South Derbyshire
- Dorset—whole county
- East Sussex—
  - Eastbourne
  - Hastings
  - Rother
  - Wealden
- Hertfordshire—
  - Broxbourne
- Kent—
  - Ashford
  - Dartford
  - Gravesham
  - Tonbridge and Malling
- Lancashire—
  - Hyndburn
- Lincolnshire—
  - Boston
  - West Lindsey
- Northamptonshire—
  - Northampton
  - South Northamptonshire
  - Wellingborough
- North Yorkshire—
  - Selby
- Shropshire—
  - Oswestry
- Suffolk—
  - Babergh
  - Ipswich
  - Mid-Suffolk
  - Suffolk Coastal
- Surrey—
  - Epsom and Ewell

Warwickshire—
Nuneaton and Bedworth
West Sussex—whole county
Wiltshire—whole county

Mr. Soley asked the Secretary of State for the Environment whether he will name those local authorities in respect of which his Department has had to use, or threatened the use of, his powers under section 9 of the Caravan Sites Act 1968; if he will give the relevant dates of such actions; and whether his directions were complied with.

Mr. Tracey: Discussions have taken place with a number of authorities about their gipsy site provision. All such discussions are with the knowledge that my right hon. Friend the Secretary of State has powers to direct. In no case has it yet been found necessary for the Secretary of State to issue directions.

Nuclear Waste

Mr. Austin Mitchell asked the Secretary of State for the Environment if he will set out the percentage of each consignment of typical spent thermal oxide nuclear fuel imported represented by *(a)* depleted uranium, *(b)* plutonium and *(c)* nuclear waste products.

Mr. Waldegrave: Fully irradiated thermal oxide fuel consists of approximately 96 per cent. uranium, 1 per cent. plutonium and 3 per cent. fission products and other actinides. It contains no depleted uranium.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether he will increase the amount of money available for all aspects of radioactive waste management research; and if he will increase the proportion of the budget that is allocated to geological studies in this respect .

Mr. Waldegrave: My Department is only one of the funding bodies in the United Kingdom supporting research on radioactive waste management. The nuclear industry and UK NIREX Ltd. fund research in support of their waste management operations. From a stable overall research budget, my Department will be increasing the proportion allocated to disposal of wastes in order to fulfil its regulatory function in respect of proposals from UK NIREX Ltd. for solid waste disposal.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether he has any plans to increase the amount of research on nuclear waste disposal and its environmental consequences which the United Kingdom contributes to international research projects on this issue.

Mr. Waldegrave: The United Kingdom, through my Department, is an active participant in several international research projects related to radioactive waste management. Recent years have seen a steady increase in the United Kingdom contribution to the Commission of the European Communities, the Organisation for Economic Co-operation and Development and other multilateral projects. This trend is expected to continue.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether he plans to increase the length of time for which funds are allocated for radioactive waste research.

Mr. Waldegrave: Contracts for research related to radioactive waste are let for whatever time is needed to meet the research objectives. Most contracts are for one or two years, but some cover research for up to five years when necessary.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether he plans to initiate any geological fieldwork studies to complement any theoretical evidence that he may have concerning the effects of the geological environment on radio-nucleide dispersal.

Mr. Waldegrave: My Department has commissioned a three-year programme of geological and geochemical fieldwork studies related to movement of natural and man-made radioactivity in geological media. These studies will complement the research carried out by UK Nirex Ltd, and research in other countries. They are primarily concerned with observation of long-term processes and with testing the prediction methods used in assessing the safety of geological disposal of radioactive waste.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether he intends to commission any geological studies on the siting and construction of radioactive-waste repositories.

Mr. Waldegrave: It is the responsibility of UK Nirex Ltd. to commission geological studies on the siting and construction of repositories for low and intermediate-level radioactive waste. My Department has a substantial research programme to support its policy and regulatory responsibilities, part of which is concerned with the safety of geological disposal radioactive wastes.

Dr. Cunningham asked the Secretary of State for the Environment when he proposes to publish his Department's response to the remainder of the Environment Committee's report on radioactive waste.

Mr. Ridley: As soon as possible.

Co-operatives

Mr. Sheerman asked the Secretary of State for the Environment if he will consider the provision of special assistance to the London Co-operative Enterprise Board Limited to enable it to process outstanding applications from groups wishing to create their own employment by setting up worker co-operative enterprises.

Sir George Young: This is a matter for the London boroughs, from which the board has sought support.

Hippy Convoy

Mr. Soley asked the Secretary of State for the Environment whether the peace convoy and other similar groups with a nomadic habit of life have been included in the official estimates of the numbers of gipsies resorting to or residing in each county.

Mr. Tracey: The official estimates relate to the numbers of gipsy caravans and are provided twice-yearly by district and London borough councils. Caravans belonging to individuals whom the authorities accept as of the nomadic habit of life referred to in the Caravan Sites Act 1968 should normally be included. Groups such as the peace convoy would not normally be included.

Housing Defects

Mr. Andrew Bowden asked the Secretary of State for the Environment when he expects to complete his review of the £14,000 expenditure limit for repairs to property under the Housing Defects Act 1984.

Sir George Young: My hon. Friend the Minister for Housing, Urban Affairs and Construction announced on 3 June the Government's proposals for revising the expenditure limit for repairs under the housing defects legislation. My Department is currently consulting local authority associations and other interested bodies on those proposals, with a view to bringing new limits into force by the end of August.

Insurance (Inner Cities)

Mr. John Fraser asked the Secretary of State for the Environment what steps his Department is taking to deal with the problem in inner city areas of obtaining insurance cover for business premises.

Sir George Young: My right hon. and learned Friend the Paymaster General is collating information from the city action teams on the difficulty of obtaining insurance cover in inner city areas, including Lambeth, with a view to discussing the problem with the insurance industry.

Sulphur Dioxide Emissions

Mr. Donald Stewart asked the Secretary of State for the Environment what are the figures for total sulphur dioxide emissions in the United Kingdom for each of the past 10 years; and if he will break down each yearly figure by the following sources *(a)* power stations, *(b)* refineries, *(c)* other industrial sources, *(d)* transport, *(e)* agriculture, *(f)* commercial and public services and *(g)* domestic.

Mrs. Rumbold: The information requested is published annually in my Department's "Digest of Environmental Protection and Water Statistics", a copy of which is in the Library. The figures for 1975 to 1984 are as follows:

	1975	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Domestic	0·30	0·28	0·29	0·26	0·26	0·22	0·21	0·20	0·20	0·16
Commercial public services	0·24	0·24	0·24	0·23	0·24	0·20	0·18	0·17	0·14	0·14
Power stations	2·82	2·69	2·74	2·81	3·10	2·87	2·71	2·62	2·53	2·50
Refineries	0·26	0·28	0·27	0·29	0·29	0·28	0·22	0·21	0·16	0·15
Agriculture	0·03	0·03	0·03	0·03	0·03	0·02	0·02	0·02	0·01	0·01
Other industry	1·40	1·39	1·34	1·33	1·34	1·03	0·83	0·74	0·61	0·52
Rail transport	0·02	0·02	0·01	0·02	0·01	0·01	0·01	0·01	0·01	0·01
Road transport	0·05	0·05	0·05	0·05	0·06	0·04	0·05	0·05	0·04	0·04
All consumers	5·13	4·98	4·98	5·02	5·34	4·67	4·22	4·01	3·69	3·54

Figures for 1985 are not yet available.

Water Authorities (Rivers)

Mr. Gareth Wardell asked the Secretary of State for the Environment if he will publish in the *Official Report* for each water authority for each year since 1979, the lengths of class 3 (poor) and 4 (bad) rivers, in kilometres.

Mrs. Rumbold: The lengths of class 3 (poor) and 4 (bad) rivers are published each year by the water authorities in their annual reports, and collectively by the Water Authorities Association. My Department also publishes this information as part of its statistical publication, the "Digest of Environmental Protection and Water Statistics," as additional table F12, the latest version of which is reproduced.

River and canal water quality: bad and poor quality river length by water authority area: 1978-79—1984-85 England and Wales

	River length classed as of bad or poor quality (km)	*All classified river length (km)*	*Per cent. of all river length classed as of bad or poor quality*
Anglian			
1978-79	575	4,356	13·2
1979-80	424	4,351	9·7
1980-81	543	4,439	12·2
1981-82	514	4,441	11·6
1982-83	455	4,441	10·2
1983-84	467	4,446	10·5
1984-85	426	4,446	9·6
North West			
1978-79	866	5,625	15·4
1979-80	877	5,656	15·5
1980-81	895	5,656	15·8
1981-82	876	5,656	15·5
1982-83	882	5,656	15·6
1983-84	1,141	5,900	19·3
1984-85	1,180	5,900	20·0
Northumbrian			
1978-79	125	1,500	8·3
1979-80	123	1,500	8·2
1980-81	114	1,500	7·6
1981-82	105	1,500	7·0
1982-83	97	1,500	6·5
1983-84	90	1,500	6·0
1984-85	90	1,500	6·0
Severn-Trent			
1978-79	697	6,198	11·2
1979-80	675	6,192	10·9
1980-81	617	6,190	10·0
1981-82	565	6,202	9·1
1982-83	511	6,202	8·2
1983-84	497	6,202	8·0
1984-85	496	6,202	8·0
South West			
1978-79	137	2,640	5·2

	River length classed as of bad or poor quality (km)	All classified river length (km)	Per cent. of all river length classed as of bad or poor quality
1979-80	158	2,716	5·8
1980-81	156	2,722	5·7
1981-82	130	2,722	4·8
1982-83	178	2,722	6·5
1983-84	132	2,620	5·0
1984-85	177	2,631	6·7
Southern			
1978-79	118	1,921	6·1
1979-80	97	2,061	4·7
1980-81	93	2,016	4·6
1981-82	78	2,011	3·9
1982-83	68	2,011	3·4
1983-84	112	2,010	5·6
1984-85	83	2,010	4·1
Thames			
1978-79	290	2,408	12·0
1979-80	356	2,408	14·8
1980-81	370	2,408	15·4
1981-82	184	2,408	7·6
1982-83	125	2,408	5·2
1983-84	210	2,418	8·7
1984-85	159	2,418	6·6
Welsh			
1978-79	358	4,781	7·5
1979-80	358	4,781	7·5
1980-81	337	4,781	7·0
1981-82	332	4,781	6·9
1982-83	326	4,781	6·8
1983-84	299	4,781	6·3
1984-85	309	4,781	6·5
Wessex			
1978-79	97	1,955	5·0
1979-80	97	1,955	5·0
1980-81	114	2,094	5·4
1981-82	106	2,094	5·1
1982-83	95	2,011	4·7
1983-84	95	2,011	4·7
1984-85	88	2,011	4·4
Yorkshire			
1978-79	787	6,031	13·0
1979-80	772	6,031	12·8
1980-81	760	6,031	12·6
1981-82	708	6,031	11·7
1982-83	690	6,031	11·4
1983-84	772	6,033	12·0
1984-85	769	6,033	12·7
England and Wales			
1978-79	4,070	37,415	10·9
1979-80	3,937	37,651	10·5
1980-81	3,999	37,837	10·6
1981-82	3,598	37,846	9·5
1982-83	3,427	37,763	9·1
1983-84	3,765	37,921	9·9
1984-85	3,777	37,932	10·0

Source: Water Authorities Association.

Notes

The classification of rivers follows that set out in the National Water Council's report "River quality—the 1980 survey and future outlook". Poor quality rivers are those which are polluted to such an extent that fish are absent or sporadically present. Such rivers may be used for low-grade industrial abstraction purposes. Bad quality rivers are those which are grossly polluted and are likely to cause a nuisance.

The Table is based on monitoring performed by individual water authorities and in some cases the lengths of rivers monitored differs from the national surveys, and so the results cannot be directly compared.

Greater Manchester Residuary Body

Mr. Kaufman asked the Secretary of State for the Environment if he will require the Greater Manchester residuary body under schedule 13(10) to the Local Government Act 1985 to furnish him with information relating to the circumstances in which the loss of keys to a cabinet has led to a failure to provide information to the right hon. Member for Manchester, Gorton in relation to a constituent's claim for compensation; and if he will make a statement.

Mr. Ridley: I shall write to the right hon. Member.

NORTHERN IRELAND

Job Creation

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many jobs have been created within Northern Ireland in each of the past 10 years; and if he will make a statement.

Dr. Boyson: The information is not available in the exact form requested. However, the numbers of jobs promoted by the various industrial development agencies in Northern Ireland in each of the past 10 years were as follows:

	Department of Commerce/ Industrial Development Board	Local Enterprise Development Unit	Totals
1976	2,904	774	3,678
1977	4,647	1,226	5,873
1978	6,413	1,221	7,634
1979	5,472	1,330	6,802
1980	5,545	1,185	6,730
1981	2,576	1,169	3,745
1982	3,420	2,206	5,626
1983	2,658	3,419	6,077
1984	5,189	3,721	8,910
1985	3,966	3,907	7,873

Note:

Promoted jobs are ones which companies undertake to create as part of a financial assistance agreement.

In addition, the following employment places were created in Government sponsored employment schemes:

Financial year	Enterprise Ulster*	Action for community employment*	Enterprise allowance scheme†	Total
1976-77	1,900	—	—	1,900
1977-78	2,000	—	—	2,000
1978-79	2,300	—	—	2,300
1979-80	2,200	—	—	2,200
1980-81	1,700	—	—	1,700
1981-82	1,500	450	—	1,900
1982-83	1,500	1,250	100	2,850
1983-84	1,250	2,550	900	4,650
1984-85	1,100	3,100	1,250	5,450
1985-86	1,050	3,900	1,500	6,450

Note: All figures are rounded to the nearest 50 and so may not add up.

* Average numbers benefiting from the scheme during the year.

† Average numbers sponsored during the year. The jobs can continue after sponsorship ceases.

Tourism

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many tourists have visited Northern Ireland in each of the past 10 years; and if he will make a statement.

Dr. Boyson: The information required is a s follows:

	Numbers
1976	432,000
1977	503,000
1978	628,000
1979	728,000
1980	710,000
1981	583,000
1982	712,000
1983	865,000
1984	908,000
1985	863,000

Visitor numbers have doubled since 1976. The slight fall in 1985 was due to fewer visitors from the Republic of Ireland, which I understand was in turn largely attributable to economic and fiscal factors. Northern Ireland is an attractive and welcoming place for holidaymakers and business men.

Northern Ireland Assembly

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland what is the total cost to public funds of the Northern Ireland Assembly.

Mr. Tom King: The Northern Ireland Assembly cost about £2·8 million last year and £3·5 million has been allocated this year. However, the Northern Ireland Assembly (Dissolution) Order was laid on 17 June and is to be debated shortly. If approved, the total cost of the Assembly to public funds in the current year will be considerably less than this.

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland what will be the position of the Clerk and other staff of the Northern Ireland Assembly after dissolution; and how Parliament building will be used in future.

Mr. Tom King: The Clerk to the Assembly will continue to hold statutory office under section 24(3) of the Northern Ireland Constitution Act 1973 after dissolution. The position of other Assembly staff and the future use of Parliament building are under consideration at present, but I hope it will not be long before a new Assembly is playing a responsible and valuable role in Northern Ireland.

Parliament Building, Stormont (Library)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will define the functions of the Library in the Parliament building at Stormont; and who is entitled to use it.

Mr. Tom King: The Library exists primarily to provide library and information services for Members and staff of the Northern Ireland Assembly. It also acts as a reference library for Northern Ireland Government Departments, which would continue to use it after dissolution of the Assembly.

WALES

Patients (Statistics)

Mr. Dewar asked the Secretary of State for Wales how many in-patients there are in hospitals for the mentally handicapped in Wales; and what was the comparable figure five years ago.

Mr. Mark Robinson: There were 1,880 resident patients at mental handicap hospitals and units in Wales on 31 December 1985, the latest date for which information is available. The comparable figure for 1980 was 2,224.

Surgical Treatment

Mr. Gwilym Jones asked the Secretary of State for Wales what were the numbers of patients receiving surgical treatment in Wales in *(a)* 1979 and *(b)* the latest year for which complete figures are available.

Mr. Mark Robinson: The number of surgical operations carried out in Wales in 1979 was 122,702. The comparable figure for 1984, the latest year for which information is available, was 175,939.

Mr. Gwilym Jones asked the Secretary of State for Wales what are the average return rates for patients after receiving surgical treatment; and if he will make a statement.

Mr. Mark Robinson: The information is not available centrally.

Health Authorities

Mr. Gwilym Jones asked the Secretary of State for Wales what calculations were used to determine the provision for the cost of petrol, oil, heating oil, electricity and gas for the health authorities in Wales in 1986-87; and what was the financial allocation for each of those commodities.

Mr. Mark Robinson: No specific provision was made for these or any other individual commodities in health authorities' allocations.

Mr. Gwilym Jones asked the Secretary of State for Wales what calculations were used to determine the provision for the cost of inflation for the health authorities in Wales in 1986-87; and what was the consequent financial allocation.

Mr. Mark Robinson: In determining allocations to district health authorities in Wales in 1986-87, account was taken of the 4·5 per cent. forecast of inflation for 1986 required by the Industry Act 1975, together with estimates of the authorities' capacity to release additional resources through efficiency savings, the generation of income and the realisation of receipts from the sale of land. On this basis, cash allocations amounting to £659·7 million in revenue and £21·4 million capital were issued to DHAs in Wales at the beginning of 1986-87 and a further £14·0 million revenue and £24·8 million capital was allocated for centrally financed services and developments including expenditure incurred by the Welsh Health Common Services Authority and community health councils. Since then price inflation has fallen well below the forecast level and is continuing to fall and this has been taken into account in determining the additional £3·1 million revenue

provision which was recently made available to DHAs in Wales in respect of the costs of implementing the 1986 review bodies' pay recommendations.

Radiation

Mr. Gwilym Jones asked the Secretary of State for Wales (1) what evaluations he has made of the greatest causes of natural radiation to which the people of Wales are exposed; and if he will make a statement;

(2) what evaluations he has made of the greatest causes of man-made radiation to which the people of Wales are exposed; what proportion of this is emissions from medical X-ray equipment; and if he will make a statement.

Mr. Mark Robinson: The National Radiological Protection Board has advised that almost 87 per cent. of the radiation to which people in Wales are exposed comes from natural sources. While there are local variations, the sources of natural radiation in order of decreasing contributions to the total average dose are radon and thoron in air, terrestrial gamma rays, internal radiation naturally in the human body and cosmic rays. Most of the radiation from man made sources comes from medical procedures and is due almost entirely to the use of X-ray equipment.

GCSE Examination

Mr. Gwilym Jones asked the Secretary of State for Wales what additional financial resources are now to be made available in Wales preparations for the general certificate of secondary education examination; and if he will make a statement.

Mr. Wyn Roberts: Wales will benefit to the extent of £1·2 million from the additional resources for books and equipment which the Government are making available to local authorities in the current financial year.

Singleton Hospital

Mr. Williams asked the Secretary of State for Wales if, in view of the restrictions on the use of X-ray facilities at the casualty unit at Singleton hospital, he will provide the basis for his statement that access to these facilities will be determined by the clinical need prevailing at the time.

Mr. Mark Robinson: Access to X-ray facilities will be as set out in the West Glamorgan health authority's proposals for the Singleton minor casualty unit which were approved on 5 March. Those stated that it would be for:

3.1 Those who need to be referred to the specialist services of ophthalmology and ENT at Singleton hospital;

3.2 Where, for urgent clinical reasons, reference to Morriston hospital is clearly inappropriate.

Thus the clinical need is a matter for judgment by the clinician dealing with each case.

Welsh Development Agency

Mr. Geraint Howells asked the Secretary of State for Wales what percentage of the Welsh Development Agency budget was spent in each Welsh district during the last 12 months; and if he will make a statement.

Mr. Wyn Roberts: The Welsh Development Agency does not maintain details of expenditure in the form requested.

Housing

Mr. D. E. Thomas asked the Secretary of State for Wales what number of houses is owned by local authorities in each of the parliamentary constituencies in Wales; and what proportion of the housing stock these figures represent.

Mr. Mark Robinson: The number and percentage of households renting accommodation from a local authority or new town in each parliamentary constituency at the time of the 1981 census is shown in the following table. No information is held relating to the number of local authority owned dwellings in each parliamentary constituency.

Households renting local authority accommodation, 1981

*Constituency**	*Number*	*Percentage of all households*
Aberavon	10,531	42·5
Alyn and Deeside	6,559	24·9
Blaenau Gwent	10,896	40·1
Brecon and Radnor	5,337	24·5
Bridgend	6,314	25·7
Caenarfen	4,700	23·2
Caerphilly	9,579	32·6
Carmarthen	6,439	22·1
Cardiff Central	2,928	11·4
Cardiff North	4,308	17·5
Cardiff South and Penarth	9,318	33·9
Cardiff West	9,115	33·1
Credigion and Pembroke North	4,878	18·3
Clwyd North West	5,046	16·8
Clwyd South West	9,015	34·8
Conwy	6,001	25·2
Cynon Valley	6,271	25·9
Delyn	6,346	22·0
Gower	5,361	20·7
Islwyn	8,821	38·1
Llanelli	10,017	32·9
Meirionnydd Nant Conwy	3,363	23·0
Merthyr Tydfil and Rhymney	11,176	39·8
Monmouth	7,017	27·5
Montgomery	5,124	30·1
Neath	7,849	30·1
Newport East	7,388	29·6
Newport West	8,655	33·3
Ogmore	7,976	33·2
Pembroke	9,704	30·8
Pontypridd	8,164	29·0
Rhondda	5,142	17·5
Swansea East	9,698	36·0
Swansea West	7,968	28·8
Torfaen	15,754	55·8
Vale of Glamorgan	6,664	23·0
Wrexham	11,698	41·2
Ynys Môn	6,457	27·6

* Boundaries as at March 1983.

Mr. D. E. Thomas asked the Secretary of State for Wales what number of houses in each parliamentary constituency in Wales is owner-occupied; and what proportion this figure represents of the housing stock.

Mr. Mark Robinson: The number and percentage of households living in owner-occupied accommodation in each parliamentary constituency at the time of the 1981 census is shown in the following table. No information is held relating to the number of owner-occupied dwellings in each parliamentary constituency.

Constituency*	Households in owner-occupied accommodation	Owner-occupied as a percentage of total households
Aberavon	13,262	53·5
Alyn and Deeside	17,663	66·9
Blaenau Gwent	15,078	55·5
Brecon and Radnor	12,567	57·7
Bridgend	16,302	66·3
Caernarfon	12,739	62·8
Caerphilly	17,198	58·6
Carmarthen	18,913	65·0
Cardiff, Central	16,761	65·4
Cardiff, North	18,306	74·5
Cardiff, South and Penarth	14,972	54·4
Cardiff, West	14,507	52·8
Ceredigion and Pembrokeshire, North	17,179	64·6
Clwyd, North West	20,643	68·5
Clwyd, South West	13,690	52·8
Conwy	14,373	60·3
Cynon Valley	15,919	65·7
Delyn	20,547	71·1
Gower	18,653	71·9
Islwyn	12,290	53·1
Llanelli	18,531	60·8
Meirionnydd Nant Conwy	8,534	60·6
Merthyr Tydfil and Rhymney	14,826	52·8
Monmouth	15,652	61·4
Montgomery	8,879	52·1
Neath	16,456	63·1
Newport, East	15,672	62·9
Newport, West	15,117	58·1
Ogmore	14,492	60·3
Pembroke	17,552	55·7
Pontypridd	18,276	64·9
Rhondda	22,350	76·1
Swansea, East	15,635	58·1
Swansea, West	15,916	57·4
Torfaen	11,156	39·5
Vale of Glamorgan	18,370	63·3
Wrexham	14,314	50·4
Ynys Môn	13,812	59·0

* Boundaries as at March 1983.

Mr. D. E. Thomas asked the Secretary of State for Wales what information he has as to how many holiday or second homes there are in each parliamentary constituency in Wales; and what proportion of the housing stock they represent.

Mr. Mark Robinson: The number and percentage of household spaces recorded as second residence or holiday accommodation for each parliamentary constituency at the 1981 census is given in the following table.

Constituency*	Household spaces: Second residence and holiday accomodation (unoccupied at Census)	Percent
Aberavon	17	0·1
Alyn and Deeside	67	0·2
Blanau Gwent	24	0·1
Brecon and Radnor	892	3·5
Bridgend	141	0·5
Caernarfon	3,299	12·5
Caerphilly	23	0·1
Carmarthen	805	2·4
Cardiff Central	26	0·1
Cardiff North	6	0·0
Cardiff South and Penarth	5	0·0
Cardiff West	15	0·1
Ceredigion and Pembroke North	2,692	8·1
Clwyd North West	1,157	3·4
Clwyd South West	962	3·2
Conwy	1,717	6·0
Cynon Valley	36	0·1
Delyn	541	1·7
Gower	566	2·0
Islwyn	18	0·1
Llanelli	81	0·2
Meirionnydd Nant Conwy	3,492	17·5
Merthyr Tydfil and Rhymney	26	0·1
Monmouth	231	0·8
Montgomery	907	4·5
Neath	53	0·2
Newport East	19	0·1
Newport West	20	0·1
Ogmore	15	0·1
Pembroke	2,521	6·7
Pontypridd	17	0·1
Rhondda	16	0·1
Swansea East	13	0·1
Swansea West	47	0·2
Torfaen	33	0·1
Vale of Glamorgan	46	0·1
Wrexham	72	0·2
Ynys Môn	1,997	7·0

* Boundaries as at March 1983.

Self-employed People

Mr. D. E. Thomas asked the Secretary of State for Wales how many people are self-employed in each of the parliamentary constituencies of Wales; and what percentage they represent of those in employment.

Mr. Nicholas Edwards: The information is not available in the form requested.

Community Council Clerks

Mr. Gareth Wardell asked the Secretary of State for Wales if his Department holds information on the name and address of every community council clerk in Wales.

Mr. Mark Robinson: The Department maintains a list of the names and addresses of all community council clerks.

Drinking Water (Tests)

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report*, for each year since 1980, the information he has as to *(a)* the total number of samples of potable water tested by the Welsh water authority, *(b)* the number of those samples containing coliform organisms and *(c)* the number of those samples containing E coli, distinguishing in each case between samples taken shortly after treatment and samples taken from the distribution network.

Mr. Mark Robinson: The information requested is given in the annual water quality reports of the Welsh water authority from which the data given below have been abstracted.

Bacteriological quality of Potable water

	Water leaving treatment installations			*Water in the distribution network*		
	Number of Samples examined	*Per. cent. containing Coliform Organisms*	*Per cent. containing E. Coli*	*Number of Samples Examined*	*Per cent. containing Coliform Organisms*	*Per cent. containing E. Coli*
1979-80	11,184	3·2	2·0	31,902	4·9	2·6
1980-81	11,806	1·8	1·0	39,714	4·5	2·5
1981-82	11,434	1·7	1·1	36,534	3·8	2·2
1982-83	11,214	1·9	1·1	28,229	3·8	1·7
1983-84	12,920	1·3	0·9	36,640	2·2	1·0
1984-85	11,689	1·6	1·2	29,023	2·4	1·2

TRADE AND INDUSTRY

Eastern Europe

5. **Mr. Marlow** asked the Secretary of State for Trade and Industry what is his latest estimate of the value of manufactures of east European origin passing to the United Kingdom through West Germany.

Mr. Alan Clark: No reliable estimate is available.

Regional Policy

10. **Mr. Adley** asked the Secretary of State for Trade and Industry what changes he is currently considering to his Department's regional policy.

Mr. Peter Morrison: My Department is currently carrying out a review of the administration of regional policy in order to ensure that the schemes operate with the maximum effect and economy.

Footwear (China)

18. **Mr. Pike** asked the Secretary of State for Trade and Industry what representations he has received from the footwear industry regarding import quotas from China.

Mr. Alan Clark: I have received letters from several right hon. and hon. Members covering requests from the Lancashire Footwear Manufacturers Association and some of its members for discussions with my Department about possible changes in these quota arrangements.

Motor Vehicle Industry

19. **Mr. Roy Hughes** asked the Secretary of State for Trade and Industry what proposals he has for the future of the motor vehicle industry in Great Britain.

Mr. Peter Morrison: Our policies will continue to be aimed at ensuring that the United Kingdom vehicle industry, and indeed the component industry, achieves the competitiveness necessary to ensure its long-term future.

Systime plc, Leeds

20. **Mr. Meadowcroft** asked the Secretary of State for Trade and Industry if he has any plans to review his Department's current financial commitments towards Systime plc, Leeds; and if he will make a statement.

Mr. Pattie: The Department has reached agreement in principle with the company on the settlement of outstanding commitments. I have no plans to review the position further.

Research and Technology Scheme

21. **Mr. Richard Page** asked the Secretary of State for Trade and Industry if he will make a statement about his Department's small firms merit award for research and technology scheme for small firms.

Mr. Pattie: The purpose of the small firms merit award for science and technology, which I announced on 30 April, is to support particularly promising and innovative technological projects from small firms and individuals.

I hope that it will prove to be effective as a source of seed corn finance to help realise the considerable potential of our innovators.

Think British Campaign

22. **Mr. Pawsey** asked the Secretary of State for Trade and Industry if he will make it his policy to provide financial support for the Think British Campaign.

Mr. Peter Morrison: We very much welcome the initiative shown by the Think British Campaign and are discussing with it how we might support its plans for promoting British goods of good design and high quality, consistent with our international obligations.

Rolls-Royce

23. **Mr. Nellist** asked the Secretary of State for Trade and Industry what representations he has recently received on the Government's proposals to privatise Rolls-Royce.

Mr. Pattie: My right hon. Friend and I have received a number of representations opposing the company's privatisation. The company's board has confirmed its strong desire to see the company returned to the private sector.

Copyright

24. **Mr. Thurnham** asked the Secretary of State for Trade and Industry what recent representations he has received from the Arts Council and the Royal Academy about statutory exceptions to the basic rule at to first ownership of copyright in commissioned works of art; and if he will make a statement.

Mr. Pattie: A letter from the chairman of the Arts Council was received last week setting out the view of that body and the Royal Academy of Art that section 4(3) of the Copyright Act 1956 should be repealed. Section 4(3) provides that, subject to agreement to the contrary, the copyright in a commissioned photograph, painted or drawn portrait or an engraving belongs to the commissioner and not the artist.

As announced in the recent White Paper "Intellectual Property and Innovation", the Government have concluded that it is unnecessary and undersirable to amend either the basic ownership provision or the existing specific exception covering commissioned works. We will, however, look at the matter again in the light of these representations.

30. **Mr. Fisher** asked the Secretary of State for Trade and Industry whether he will seek to incorporate into United Kingdom law the provision of article 2(6) of the Paris text of the Berne convention relating to copyright protection for the authors of commissioned portraits; and if he will make a statement.

Mr. Pattie: Section 4 of the Copyright Act 1956 is consistent with article 2(6) of the Paris text of the Berne convention. No further provision is therefore required.

31. **Mr. Watts** asked the Secretary of State for Trade and Industry what representations he has received in response to the White Paper entitled, "Intellectual Property and Innovation".

Mr. Pattie: The Government have so far received approximately 90 written representations in response to the White Paper "Intellectual Property and Innovation". The White Paper makes proposals for reforming the law relating to copyright and designs and for improving the way in which the United Kingdom's intellectual property system operates as a whole. Many of the representations received are therefore very wide-ranging.

Leyland Bus

25. **Mr. Campbell-Savours** asked the Secretary of State for Trade and Industry when he next intends to meet the managing director of Leyland Bus to discuss the future of the company.

Mr. Peter Morrison: I met the managing director of Leyland Bus on 16 June. I intend to visit both the Workington and Leyland Bus plants on June 27.

Small Firms

26. **Mr. Brandon-Bravo** asked the Secretary of State for Trade and Industry if he plans to seek to make any changes in the accountancy rules for small businesses.

Mr. Pattie: My right hon. Friend announced recently that in the light of the consultation carried out by my Department last year the Government intend to relax the rules governing the amount of information small companies are required to disclose in their accounts. Details of the changes proposed will be announced as soon as possible.

Leyland Vehicles Ltd.

27. **Mr. Robert Atkins** asked the Secretary of State for Trade and Industry if he will make a statement on the future prospects of Leyland Vehicles Ltd.

Mr. Peter Morrison: The three potential bidders for Leyland Bus have been invited to submit offers by 26 June on a tender basis with a recommendation to Government as soon as possible thereafter. The position regarding Leyland Trucks remain as announced in my right hon. Friend's statement on 25 March.

Bogus Business Directories

28. **Mr. McCrindle** asked the Secretary of State for Trade and Industry if he has received recent representations on bogus business directories.

Mr. Pattie: Since December 1985 my Department has received 87 complaints about unsolicited offers for advertising in business telex directories. Most complaints have been about the activities of one particular company based in Lichtenstein.

Confederation of British Industry

29. **Mr. Spencer** asked the Secretary of State for Trade and Industry when he last met the chairman of the Confederation of British Industry; and what matters were discussed.

Mr. Peter Morrison: My right hon. Friend met CBI leaders at the National Economic Development Council on 4 June, when European issues were discussed.

Foreign Investment

32. **Mr. Michael Forsyth** asked the Secretary of State for Trade and Industry how many jobs he estimates were created in the United Kingdom as a result of foreign investment during the past year.

Mr. Peter Morrison: The Department estimates that, as a result of the inward investment decisions notified to the Invest in Britain Bureau within 1985, over 21,000 jobs will be created and many more have been safeguarded.

USSR

33. **Mr. Flannery** asked the Secretary of State for Trade and Industry if he has any plans to discuss with his Soviet counterpart the question of increasing trade between the United Kingdom and the Union of Soviet Socialist Republics; and if he will make a statement.

Mr. Alan Clark: My right hon. Friend hopes to meet the Soviet Minister for Foreign Trade, Mr. Aristov, in October if he comes, as invited, to the 70th Anniversary of the British-Soviet chamber of commerce. In any case, I would expect to hold discussions about increasing trade with the USSR with Mr. Aristov at the next session of the Joint Commission in 1987.

General Motors

34. **Mr. Madel** asked the Secretary of State for Trade and Industry whether he has received any further information from General Motors regarding its future policy towards their commercial vehicle operations in the United Kingdom; and if he will make a statement.

Mr. Peter Morrison: The future of General Motors' commercial vehicle operations here remain a matter for the company's own commercial judgment. I understand, however, that the company is reviewing its strategies in the light of difficult world trading conditions.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Alan Clark: The numbers of appearances of witnesses before Select Committees of the House of Commons in the Sessions of 1983-84 and 1984-85 were as follows:

	1983-84	*1984-85*
Ministers	4	3
Officials	23	21

Semi-conductor Chips

Mr. Gwilym Jones asked the Secretary of State for Trade and Industry what is the rate of duty or tax payable upon the importation of *(a)* assembled semi-conductor chips and *(b)* the unassembled components of semi-conductor chips; and if he will make a statement.

Mr. Alan Clark: The rate of duty under the common customs tariff on semi-conductor devices, whether or not encapsulated in a housing, is 14 per cent. Diffused silicon wafers not yet cut into chips attract a duty rate of 9 per cent. The rates of duty charged on the other parts of semi-conductor chips, for example gold wire, connectors and certain ceramic, metallic and plastic compounds range from 0·5 to 10 per cent.

The Government have for some time been concerned at the burden which the duty rate on semi-conductors imposes on the electronic components industry. There is a considerable disincentive to assemble these components in the Community created by the lower duties of 4 or 4·9 per cent. payable on assemblies of two or more of these devices mounted on printed circuit boards for use in data processing equipment. Consequently, the Government have pressed strongly within the Community for a large reduction in this duty. Despite considerable opposition from several member states the United Kingdom has secured a reduction in the duty on semi-conductors from 17 to 14 per cent. from 1 January 1986.

The Government remain committed to seeking a further large reduction in this duty rate in the new GATT round of multilateral trade negotiations expected to be launched in September.

Bankruptcies and Liquidations

Mr. Willie W. Hamilton asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* a table showing the monthly totals of bankruptcies and company liquidations in January and July for each of the last eight years.

Mr. Peter Morrison: The information requested is given in the table:

	England and Wales		*Scotland*	
	**Bankruptcies*	*†Company Liquidations*	**Sequestrations*	*†Company Liquidations*
January 1978	329	481	10	29
July 1978	348	473	10	21
January 1979	337	387	9	20
July 1979	354	361	10	24
January 1980	262	527	20	19
July 1980	392	654	7	39
January 1981	428	946	11	28
July 1981	493	‡	17	38
January 1982	429	947	23	28
July 1982	515	987	23	37
January 1983	542	1,167	18	54
July 1983	582	1,075	28	40
January 1984	707	1,278	24	50
July 1984	748	1,217	15	32
January 1985	641	1,430	27	46
July 1985	671	1,396	22	47
January 1986	670	1,318	21	25

* Sequestrations are the Scottish equivalent of bankruptcies. Bankruptcy and sequestration totals include receiving orders and administration orders and the total is the net number of cases administered after consolidations and rescissions.
† Includes compulsory and creditors' voluntary liquidations—the two types which involve insolvency.
‡ Monthly figure not available due to Civil Service strike.

South Africa (Code of Conduct)

Mr. Frank Field asked the Secretary of State for Trade and Industry on whose authority the word living has been removed from the phrase minimum living level in the version of the new code of conduct for EEC firms operating in South Africa, currently being circulated by his Department; what action he proposes to take to restore the original wording; and if he will make a statement.

Mr. Alan Clark: I refer the hon. Member to the reply given to him today by my right hon. Friend the Prime Minister.

Textiles

Mr. Waller asked the Secretary of State for Trade and Industry if he will make a statement about the progress of negotiations in the general agreement on tariffs and trade textiles committee.

Mr. Alan Clark: There was a meeting of the GATT textiles committee in Geneva on 5 June. Further meetings will be held in July in order to conclude negotiations before the end of that month. The European Commission is conducting the negotiations on behalf of the Community, in accordance with the mandate approved by the Council of Ministers on 11 March. It has also begun parallel bilateral discussions with its supplier countries. I will continue to keep in close touch with the industry and

other interested parties as the negotiations progress. I have every expectation that the outcome will conform to the Community's negotiating mandate.

Companies (Local Amenities)

Mr. Alton asked the Secretary of State for Trade and Industry if he will introduce legislation to require companies who employ in excess of 1,000 people at any one location to include in their annual report a report on their contacts with, and assistance to, local amenities.

Mr. Peter Morrison: No.

FOREIGN AND COMMONWEALTH AFFAIRS

British Goods

Sir Dudley Smith asked the Secretary of State for Foreign and Commonwealth Affairs what efforts are made to exploit the potential of British embassies abroad for commercial purposes where British goods are concerned; and if he will make a statement.

Mrs. Chalker: Where suitable facilities exist at British embassies and heads of missions residences, they can be made available for the promotion of British goods and services, through displays, exhibitions and seminars. For example, embassies and residences in Paris, Rome, Copenhagen, The Hague, Vienna and Washington are regularly used for this purpose.

Iranian Arms Team

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from the United States Government regarding the activities of the Iranian arms procurement team in London; and if he will make a statement.

Mr. Renton: It is not our policy to comment in detail on discussions with other Governments. We are in close regular contact with the United States authorities on all aspects of the Iran/Iraq conflict, including the supply of defence equipment. The activities of Iranian military procurement personnel based in London are the subject of close scrutiny; action would be taken were any evidence to come to light of infringement of our strict guidelines on the supply of military equipment from the United Kingdom to Iran and Iraq.

South Africa

Mr. Frank Field asked the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken to satisfy himself of the accuracy of the wording of the copies of the new code of conduct for European firms operating in South Africa currently being circulated by his Department, in so far as the definition of the minimum wage level agreed recently by EEC Foreign Ministers is concerned; and if he will make a statement.

Mrs. Chalker: All Government Departments are implementing the new code of conduct as agreed by EC Foreign Ministers on 19 November 1985. The text corresponds exactly with what was agreed by Ministers, and a copy is available in the Library of the House. The version first made available to the public contained a misquote from the previous code. This has now been corrected.

Falkland Islands

Dr. Marek asked the Secretary of State for Foreign and Commonwealth Affairs how many tourists have visited the Falkland islands; what was their mode of travel; and if he will make a statement.

Mr. Renton: Detailed statistics of all individual tourists who have visited the Falklands are not readily available. During the past Falklands summer season three cruise ships disembarked 299 passengers, and since the completion of Mount Pleasant airport in May 1985, 32 tourists have travelled by air. Five air tours operators have firm plans to send groups totalling about 170 people during the next southern hemisphere summer. The Falkland Islands Development Corporation is engaged in a project to expand tourist facilities. This should attract a growing number of visitors; and reduced air fares will be available from 1 July.

Foreign Affairs Council

Mr. Sayeed asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the meeting of the Foreign Affairs Council on 16 and 17 June.

Mrs. Chalker: My right hon. and learned Friend attended the Foreign Affairs Council in Luxembourg on 16 June. My hon. Friend the Minister for Trade represented the United Kingdom at the continuing discussions on 17 June.

The Council discussed preparations for the meeting of the European Council on 27-28 June.

The Council discussed the dispute with the United States over the trade implications of enlargement. Ministers agreed to work for a negotiated solution in the framework of the GATT as quickly as possible while also deciding in principle to meet any further United States restrictive actions by equivalent Community measures. The Council reaffirmed the Community's commitment to the new GATT round and to its successful and speedy launching, and also welcomed the overall approach proposed by the Commission.

The Council considered a revised mandate for negotiations with the Community's Mediterranean preferential partners to take account of enlargement. Ministers agreed that the Presidency would propose to the Turkish Government that a meeting of the EC/Turkey Association Council should be held in the margins of the September Foreign Affairs Council.

The Council agreed that the Commission should open negotiations with Venezuela on a voluntary restraint agreement (VRA) on its steel exports to the Community.

The Council confirmed the adoption as a resolution of the Commission's proposal on renal dialysis. There was a brief discussion on state aids for coal.

Meeting in political co-operation, Ministers had a brief discussion of South Africa and agreed to ask political directors to convene at the earliest possible date to evaluate the present situation in the light of the Commonwealth EPG report.

TRANSPORT

BR (Locomotive Purchases)

Mr. Pawsey asked the Secretary of State for Transport if he will give details of proposed locomotive purchases that British Rail intends to make in 1986-87 and each subsequent years to 1990.

Mr. David Mitchell: Investment approval has been given for the following purchases of locomotives in the period 1986-87 to 1990-91.

	Number
Class 91	31
Class 87/2	60
Class 58	9

The phasing of the purchase is a matter of management for BR. BR may wish to purchase more locomotives during the period, but I have not received further proposals yet.

Cammel Weyman Metro Bus

Mr. McNamara asked the Secretary of State for Transport if, following the accidents in London on 26 April and in Hull on 7 June, he will establish an inquiry into the possibilities of surge in Cammel Weyman Metro Buses at low acceleration due to the use of inhibitors on the drive and throttle; and if he will make a statement.

Mr. David Mitchell: The Department has conducted initial inquiries into these two accidents, both of which are still under investigation by the police.

"Highway Code"

Mrs. Virginia Bottomley asked the Secretary of State for Transport if he has reached a decision on his proposed revision of the "Highway Code"; and if he will make a statement.

Mr. Peter Bottomley: My right hon. Friend has today laid before Parliament proposed revisions to the "Highway Code" which take into account the many observations made by those who replied to our consultation letter of 21 March.

The proposed alterations include a number of changes which will benefit cyclists and which acknowledge the contribution that cycling organisations are making to the Department's thinking on road safety. Other subjects covered include child safety in cars, alcohol and the road user, the use of car telephones and additional information for motor cyclists and pedestrians. These alterations reflect current best practice in road safety. I hope that Parliament will find them acceptable.

European Air Fares

Mr. Steen asked the Secretary of State for Transport whether he is yet in a position to say what action the Government propose to take in response to the recent European Court of Justice ruling on European air fares.

Mr. Moore: As my right hon. Friend the Prime Minister has already said, the Government welcome the judgment, which confirms our view, that air transport within the Community is subject to the competition rules of the treaty of Rome.

I recognise that there is widespread interest in the judgment because it paves the way for ending restrictive practices in European aviation. The court's ruling makes it clear that the Council of Ministers must now put a major effort into adoption, under article 87 of the treaty, of a comprehensive regulation robustly applying the competition rules to air transport in the Community. The Government believe that this is by far the best way forward and we will give high priority during our forthcoming Presidency to achieving this as part of a liberalising package.

The Government are, however, very conscious of the fact that the court has confirmed that, in the absence of such a regulation, it is up to member states to make sure that the competition rules are obeyed in the aviation sector. The Government are reviewing the machinery and procedures necessary to enable us to apply the competition rules between the United Kingdom and other member states, so as to ensure that Community rules are effectively applied in accordance with article 88, particularly if it proves impossible to achieve satisfactory agreement in the Council. In that event, I shall make a further statement about the details of these arrangements.

Channel Tunnel

Dr. Marek asked the Secretary of State for Transport if British Rail will have enough capacity to run passenger services from and via London to the proposed Channel tunnel without building extra track; and if he will make a statement.

Mr. David Mitchell: British Rail has informed Ministers that it has sufficient capacity to meet its expectation of demand with the assistance of the facilities covered by the Channel Tunnel Bill, and minor track improvements and resignalling.

Aberdeen Airport (Incident)

Mr. McQuarrie asked the Secretary of State for Transport what action he proposes to take in the light of the report by the accident investigation board into an incident at Aberdeen airport in February 1986; if he will have discussions on the matter with the appropriate authorities regarding safety on landing or take off by aircraft when runway lights are necessary; and if he will make a statement.

Mr. Michael Spicer [*pursuant to his reply*, 11 June 1986, c. *192*]: As civil aviation safety is solely the statutory responsibility of the Civil Aviation Authority, I have asked the chairman of the authority to write to my hon. Friend.

AGRICULTURE, FISHERIES AND FOOD

Select Committees

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Jopling: The information requested is as follows:

Session	Evidence to Commons Select Committees from: Ministers	Officials
1983-84	2	6
1984-85	3	18

Butter

Mr. Walters asked the Minister of Agriculture, Fisheries and Food how much butter has been sold by the European Commission at preferntial rates to non-profit-making organisations in the United Kingdom during 1985, or the last year for which figures are available.

Mr. Gummer: No provision exists for the sale by the European Commission of intervention butter at preferential rates to non-profit-making organisations. But provision is made under regulation No. (EEC) 2191/81 for the payment of a subsidy on open market butter purchased by such organisations. During 1985 subsidy was paid on 5,940 tonnes of butter purchased by non-profit-making organisations in the United Kingdom.

NATIONAL FINANCE

European Monetary System

Mr. Bruce asked the Chancellor of the Exchequer if he discussed the possibility of Britain joining the European monetary system at the Tokyo economic summit.

Mr. Ian Stewart: The United Kingdom is already a member of the European monetary system, but neither this nor the exchange rate mechanism of the European monetary system was on the agenda at the economic summit.

HM Customs and Excise

Mr. Evennett asked the Chancellor of the Exchequer what advice has been issued to officials of Her Majesty's Customs and Excise involved in interviewing those who may be charged with a criminal offence since the Police and Criminal Evidence Act 1984 came into force.

Mr. Brooke: Relevant provisions of the Police and Criminal Evidence Act 1984 and of codes of practice issued under the Act have been incorporated into the standing instructions issued to officers of Customs and Excise.

HMSO Bookshops (Cardiff and London)

Mr. D. E. Thomas asked the Chancellor of the Exchequer what proportion of the publications of HMSO were available *(a)* one day earlier, *(b)* two days earlier, *(c)* three days earlier and *(d)* more than three days earlier at the HMSO bookshop in London than in Cardiff since the HMSO bookshop there was closed.

Mr. Brooke: I regret that the information requested is not available.

SOCIAL SERVICES

Housing Benefit

Mr. Heddle asked the Secretary of State for Social Services if he will publish in the *Official Report* the percentage of domestic ratepayers in each local authority who receive housing benefit.

Mr. Major: Information is not available in the precise form requested. However, a table giving estimates of the average number of rate rebate recipients (based on local and regional authorities' subsidy claims for 1985-86) as a proportion of the number of domestic hereditaments (subjects in Scotland) at April 1985 has been placed in the Library.

Mr. Andrew Bowden asked the Secretary of State for Social Services what is the most recent annual estimate of take-up of standard housing benefit, housing benefit supplement and supplemenatry benefit among retirement pensioners; and what is the estimated total amount remaining unclaimed in each of these three categories.

Mr. Major: I shall let my hon. Friend have a reply as soon as possible.

Child Minders

Ms. Harman asked the Secretary of State for Social Services if he will make it his policy that the present two-thirds expenses rule for child minders will not be altered when the Social Security Bill is implemented.

Mr. Newton: There are currently different rules for the assessment of earnings from child minding in the supplementary benefit, housing benefit and family income supplement schemes. The Government will examine the future treatment of such earnings in the light of their general desire to introduce wherever possible a uniform approach to common issues for the three income-related benefits proposed in the Social Security Bill.

Ms. Harman asked the Secretary of State for Social Services if single parents who will receive income support will continue to have an allowance made for reasonable child minding expenses under the current supplementary benefit scheme.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Birkenhead (Mr. Field) on 3 March at columns *60-61*.

Mortgage Interest

Mr. Cohen asked the Secretary of State for Social Services how his proposals on future arrangements for supplementary benefit mortgage interest will affect students.

Mr. Newton: The mortgage interest proposals, which were referred to the Social Security Advisory Committee on 15 May, do not include any special provisions for students. Anyone aged under 60 will have 50 per cent. of his mortgage interest repayment included in his assessment initially and for up to 26 weeks of his supplementary benefit payments. Thereafter, should he still be receiving benefit, the full interest repayment will be included. Separate proposals referred to the Social Security

Advisory Committee on 7 January provide that most students will not qualify for supplementary benefit except during the summer vacation.

AIDS

Mr. Kirkwood asked the Secretary of State for Social Services if he will establish free entitlement to sterilisation operations for women who have been found to be HTLV-III antibody positive and who have been advised not to have children, irrespective of age, marital status and number of children; and if he will make a statement.

Mr. Whitney: Sterilisation operations are already available on the National Health Service both for family planning and for medical reasons.

Mr. Irving asked the Secretary of State for Social Services if he will identify for 1985 and 1986 the specific funding dedicated to acquired immune deficiency syndrome, broken down under the following headings: *(a)* basic medical research, *(b)* education and *(c)* community care.

Mr. Hayhoe: I regret that information is not held centrally in the form requested. However, I refer my hon. Friend to the reply which my right hon. Friend the Prime Minister gave to the right hon. Member for Barnsley, Central (Mr. Mason) on 24 February at columns *410-411*. The resources mentioned in the reply are in addition to the money which health authorities and other ogranisations have themselves allocated to AIDS-related work.

Surgical Treatment (Return Rates)

Mr. Gwilym Jones asked the Secretary of State for Social Services what are the average return rates for patients after receiving surgical treatment; and if he will make a statement.

Mr. Whitney: I am sorry that I cannot give my hon. Friend the information he seeks. It is not held centrally.

Waiting Lists

Mr. Austin Mitchell asked the Secretary of State for Social Services if he will make a priority of reducing waiting lists; and if he will tell the next chairman of the National Health Service management board to make a priority of reducing waiting lists.

Mr. Hayhoe: The reduction of the time patients have to wait for treatment is a priority for the National Health Service management board and for health authorities.

Hospitals (West Midlands)

Mr. John Mark Taylor asked the Secretary of State for Social Services if he will indicate and identify the number of hospitals in the west midlands health region which have been opened since 1979 and the number which have been closed.

Mr. Whitney A significant number of new hospitals have opened in the west midlands region since 1979, often replacing units which have outgrown their usefulness. Not all of the information requested is available centrally, however, and my hon. Friend may care to write to the chairman of West Midlands regional health authority for a complete answer.

Hospitals (Theft)

Mr. David Atkinson asked the Secretary of State for Social Services if he will estimate the annual amount of theft from National Health Service hospitals; and if he will make a statement.

Mr. Whitney: Returns from health authorities do not isolate losses from hospitals due to theft. Losses of cash and stores from health authorities due to theft, fraud or other culpable causes, recorded in the summarised accounts for the 1984-85 financial year, were £1·04 million.

It is essential that Health Service managers take cost-effective measures to minimise losses of Health Service goods from what ever source. This is why the Department asked all health authorities to draw up security strategies, which they have now done, and to introduce better control procedures. The National Health Service security manual, prepared by the National Association of Health Authorities, gives practical advice on action to prevent losses.

NHS Staff (Hertfordshire)

Mr. Robert B. Jones asked the Secretary of State for Social Services how many employees of the National Health Service in administrative grades worked within Hertfordshire *(a)* on the last available date before the abolition of the Hertfordshire area hospital authority and *(b)* on the most recent available date.

Mr. Whitney: The figures shown in the table relate to staff in post on *(a)* 30 September 1981, and *(b)* 30 September 1985 (provisional). Due to the effects of the 1982 National Health Service reorganisation, figures for 1981 and 1985 may not be directly comparable.

Administrative and Clerical Staff —Hertfordshire†*

30 September 1981		*30 September 1985 (Provisional)‡*	
Number	*Whole-time equivalent*	*Number*	*Whole-time equivalent*
1,820	1,440	1,800	1,390

Source: DHSS Annual Census of Non-Medical Manpower

* All figures independently rounded to nearest 10.

† Hertfordshire includes the following four district health authorities North Herts, East Herts, NW Herts and SW Herts; and additionally in 1981, Area HQ and Units.

‡ Figures for 1985 exclude Family Practitioner Committee Staff, since FPCs received independent status on 1 April 1985.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Social Services how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and 1984-85.

Mr. Whitney: The information requested is set out in the table. Some officials and Ministers appeared on more than one occasion and the higher figures for total appearances are shown in parentheses.

Commons Select Committees—1983-84 Session

(a) Number of officials who appeared: 33 (48)

(b) Number of Ministers who appeared: 2 (5)

Commons Select Committees—1984-85 Session

(a) Number of officials who appeared: 55 (73)

(b) Number of Ministers who appeared: 5 (8)

Benefits

Mr. Allen Adams asked the Secretary of State for Social Services if there are any sources of information that officials from his Department may not take into account when assessing a claimant's benefit; and if he will make a statement.

Mr. Major: Decisions on claims for social security benefits are made by independent adjudication officers using information put to them by officials acting for the Secretary of State. Officials may gather from any source readily available information which they consider relevant but it is the adjudication officer's function to assess the relevance and reliability of any information or evidence in making his decision. If the hon. Member has a particular case in mind he may care to write to me.

Community Care

Mr. Kirkwood asked the Secretary of State for Social Services what response he proposes to make to the letter from the chairman of the social services committee of the Association of County Councils dated 3 March written on behalf of the Association of County Councils and a number of national voluntary organisations, drawing his attention to a statemet of principles for the achievement of community care policies, and seeking a meeting.

Mr. Fowler: I have agreed to meet representatives of the association and of the voluntary organisations.

Criminal Offences

Mr. Evennett asked the Secretary of State for Social Services what advice has been issued to officials of his Department involved in interviewing those who may be charged with a criminal offence since the Police and Criminal Evidence Act 1984 came into force.

Mr. Major: Guidance issued to fraud investigators in the Department reflects those parts of the codes of practice issued under sections 66 and 67 of the Police and Criminal Evidence Act 1984 which deal with treatment and questioning. This guidance is available on request both to suspects and to members of the public generally: I am placing copies in the Library.

In addition, detailed guidance which takes into account the relevant provisions contained in the Act and the associated codes of practice has been incorporated in the Department's operational instructions to fraud investigators.

In Vitro Fertilisation and Embryology

Mr. Cohen asked the Secretary of State for Social Services if he will make a statement on his policy towards in vitro fertilisation and embryological research, in the light of the first report of the Voluntary Licensing Authority for Human In Vitro Fertilisation and Embryology, a copy of which has been forwarded to him.

Mr. Hayhoe: I refer the hon. Member to my reply to my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) on 28 April at column *276*.

War Pensions

Mr. Alfred Morris asked the Secretary of State for Social Services by what percentage the war pensions budget has been reduced in each of the last five years due to the deaths of war pensioners and war widows; and if he has made any estimate of the likely reduction in 1986-87.

Mr. Major: There have been no reductions in the war pensions budget over the last five years. Although the number of war pensioners and war widows has been decreasing—by 18 per cent. over the period 1980-81 to 1985-86—this has been more than offset by the effect of annual upratings and by real improvements to the structure of the benefit. Expenditure per beneficiary was 19 per cent. higher in real terms at the end of the period than at the beginning.

On the assumptions underlying the 1986 public expenditure White Paper (Cmnd. 9702, Vol. II, part 3.15), expenditure on war pensions will be 2 per cent. higher in 1986-87 than in 1985-86, despite a 3·4 per cent. fall in the number of beneficiaries.

Shellfish Purification

Mr. Gareth Wardell asked the Secretary of State for Social Services if his Department has funded any research into the efficacy of existing methods of shellfish purification; and if he will make a statement.

Mr. Whitney: The Department is currently funding relevant studies at the central public health laboratory, London, on heat inactivation of hepatitis A virus in shellfish. The results of these studies are not expected for some time. I understand that the Ministry of Agriculture, Fisheries and Food is also conducting research into the purification of shellfish.

Drugs (Side-effects)

Mr. Gareth Wardell asked the Secretary of State for Social Services if his Department has received representations on the failure of general practitioners to provide advice to patients of the side-effects of prescribed drugs.

Mr. Hayhoe: No such representations have been received. Doctors use their clinical judgment and discretion in deciding what to tell each patient. There is no requirement for doctors to give patients any details about the nature of the drugs prescribed for them.

ENERGY

British Coal

Mr. Barron asked the Secretary of State for Energy if his Department has had any discussions with the National Coal Board about changes in section 46 of the Coal Industry Act 1946; and if he will make a statement.

Mr. David Hunt: No.

Potassium Iodate

Mr. Austin Mitchell asked the Secretary of State for Energy if he will list all occasions that potassium iodate or other iodine compounds have been issued to workers or civilians at or around nuclear stations in the United Kingdom; what dosage was administered on each occasion; and if he will give details of any side effects recorded.

Mr. Goodlad: I shall reply to the hon. Member as soon as possible.

DEFENCE

Nuclear Warheads (Deterioration)

Mrs. Clwyd asked the Secretary of State for Defence how many reports he has received detailing physical deterioration in Her Majesty's Government's stock of nuclear warheads; and if he will make a statement.

Mr. Lee: I have received no such reports. British nuclear warheads are designed to be safe and serviceable. Their planned withdrawal from service for inspection and periodic maintenance ensures that this aim is met.

Asbestos (Donnington)

Mr. Hawksley asked the Secretary of State for Defence when the trade unions will be able to nominate the contractor to carry out the independent check of the air for asbestos in connection with the re-roofing contract of the F1 building at Donnington as promised by the commanding officer.

Mr. Lee: Due to the imminence of re-roofing work on building F1 at COD Donnington, the contract to monitor air for asbestos was put out to tender. Five firms, recommended by the Health and Safety Executive, submitted tenders and the contract was subsequently placed with Occupational Health Services Limited of Wolverhampton. The trade unions have been advised of the contractor selected.

Naval Ships (Video Recordings)

Mr. Allen McKay asked the Secretary of State for Defence why, when Her Majesty's ships are in port in Great Britain or within the three-mile limit video recordings cannot be played where the recording system is one relayed from a central source whereas they can be played if the playback is of an individual system; if he will take steps to permit video recordings to be played back on board Her Majesty's ships at all times, irrespective of the source of the playing back; and if he will make a statement.

Mr. Freeman: I shall reply shortly.

Household Division (Recruitment)

Sir John Biggs-Davison asked the Secretary of State for Defence what is the Army's policy regarding geographical and ethnic recruitment to the Household Division.

Mr. Freeman: Geographical recruiting areas for the regiments of the Household Division are as follows:

Life Guards
Blues and Royals
Great Britain and Ireland

Grenadier Guards
Coldstream Guards
Cover every English county between them

Scots Guards:
Scotland, Cumbria, Isle of Man, Lancashire, Corby, Darlington.

Irish Guards:
Ireland, Greater London, Merseyside, Birmingham, Manchester.

Welsh Guards:
Wales, Hereford, Cheshire

Selection to the Household Division is on merit alone. Ethnic origin is an irrelevant factor in the selection process.

Procurement Expenditure (Scotland)

Mr. Donald Stewart asked the Secretary of State for Defence what is the percentage share of procurement expenditure on equipment purchased from Scotland in each of the past four financial years.

Mr. Lee: We estimate that the approximate proportion of defence equipment procurement expenditure spent in Scotland was as follows:

	per cent.
1982-83	7
1983-84	6
1984-85	6
1985-86	6

These figures are for direct payments to main contractors and do not take account of payments made to subcontractors in Scotland. Expenditure on international collaborative projects is also excluded from these figures.

Endeavour Rifle

Mr. Soames asked the Secretary of State for Defence why is the L85A1 Endeavour rifle late entering service.

Mr. Lee [*pursuant to his reply*, 16 June 1986]: The L85A1 Endeavour rifle is currently entering service with the Army's training organisation, although volume production has not yet been achieved.

Torpedo Programme

Mr. Soames asked the Secretary of State for Defence if he will make a statement on the torpedo programme.

Mr. Lee [*pursuant to his reply*, 16 June 1986]: Since the PAC reported on the torpedo programme last year there has been significant progress, including *(a)* the placing on 3 January 1986 of a fixed price contract on Marconi Underwater Systems Ltd. for main production of the lightweight Sting Ray torpedo; *(b)* the development of the Spearfish heavyweight torpedo has continued within the fixed price contract; *(c)* there has been notable improvement in the performance of the heavyweight Tigerfish torpedo.

Mr. Soames asked the Secretary of State for Defence when the Tigerfish heavyweight torpedo ws originally due to enter service; what are the reasons for the delay; and how much the programme is over its original budget.

Mr. Lee [*pursuant to his reply*, 16 June 1986]: It was originally expected that Tigerfish would commence service in 1967; due to development and engineering problems a limited version did not enter service until 1974. As the PAC was informed on 14 May this year, the performance of Tigerfish has notably improved as a result of modification and tighter management of this programme.

This was demonstrated by the recent extensive trials which culminated in the successful Tigerfish firing at the decommissioned frigate Lowestoft.

Since the original development programme began in the 1950s, the budget has necessarily been adjusted on a number of occasions to take account of successive engineering improvements. The programme is presently contained within approved budgetary levels.

Written Answers to Questions

Thursday 19 June 1986

OVERSEAS DEVELOPMENT

Pensions (Payment)

59. **Mr. Stanbrook** asked the Secretary of State for Foreign and Commonwealth Affairs if he will arrange to transfer the responsibility for the payment of pensions to retired members of the Overseas Civil Service from the Overseas Development Administration to the body responsible for the payment of other service pensions.

Mr. Raison: No.

Crown Agents

Dr. McDonald asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the future of the Crown Agents.

Mr. Raison: It remains the Government's intention that the Crown Agents should continue to move towards privatisation.

Dr. McDonald asked the Secretary of State for Foreign and Commonwealth Affairs if he will place a copy of the supplementary report concerning the future of the Crown Agents in the Library.

Mr. Raison: I know of no such report.

ATTORNEY-GENERAL

Mr. Derry Mainwaring Knight (Trial Costs)

Mr. Greenway asked the Attorney-General if taxation of bills of costs in the recent trial of Mr. Derry Mainwaring Knight has yet taken place; and if he will make a statement.

The Solicitor-General: I refer my hon. Friend to my reply on 9 May 1986 at column *254*. No taxation or determination of costs in the trial of Mr. Derry Mainwaring Knight has yet taken place. All defence bills must be in the hands of the court before the assessment may take place. To date only one defence bill has been received.

Legal Services (Royal Commissions)

Mr. Austin Mitchell asked the Attorney-General how many of the recommendations of the last Royal Commissions on Legal Services in England and Scotland, respectively, have been implemented.

The Solicitor-General: I refer the hon. Member to the White Paper "The Government Response to the Report of the Royal Commission on Legal Services" (Cmnd. 9077) published in November 1983. This set out how matters then stood on the recommendations for which the Government are responsible. Of the matters still under consideration the following recommendations have since been implemented in whole or part: recommendations 9.3 (duty solicitor schemes), 9.11 (legal representation in prison disciplinary proceedings), 33.17 (consultations on appointments), 37.3, 37.5-37.8, 37.16, 37.23 (simplification of civil taxation).

The Administration of Justice Act 1985 provides for the enactment of recommendations 16.4(a) (reimbursement of costs thrown away by the death or incapacity of a judge), 21.3 and 21.4 (restrictions on conveyancing for reward), 25.3 (legal aid complaints tribunal).

The recommendations made in the report of the Royal Commission on legal services in Scotland are the responsibility of the Secretary of State for Scotland.

Attachment Orders (Leicester)

Sir John Farr asked the Attorney-General if he will take steps to improve the services provided in the processing and issuing of attachment of earnings orders at Leicester court and to eliminate present delays; and if he will make a statement.

The Solicitor-General: I understand that except for a brief period in May of this year, the Leicester county court has been able to process and issue applications for attachment of earnings orders generally within one day, but at most seven days of receipt. The time taken from issue of application to the making of an order is normally eight weeks and steps are being taken to reduce this figure to six weeks. Under rules of court, the earliest hearing date could not be before four weeks from issue of the application. If my hon. Friend has any particular cases in mind he may wish to write to the Lord Chancellor giving details.

Select Committees

Mr. Austin Mitchell asked the Attorney-General how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

The Solicitor-General: I submitted written evidence to the Select Committee on Procedure in Session 1984-85. No other Minister or official from this Department has given evidence to Commons Select Committees in the Sessions 1983-84 or 1984-85.

EDUCATION AND SCIENCE

Expenditure

Mr. Austin Mitchell asked the Secretary of State for Education and Science if, further to his answer of 13 May, *Official Report*, columns *433-4*, he will publish in the *Official Report* particulars showing how much of the expenditure in each case was based on capital expenditure and how much on current expenditure, as defined in United Nations statistics.

Mr. Dunn: As stated in my revised reply of 12 June at column *278*, only the figures for the United States of America included capital expenditure. Separate figures for capital and current expenditure for the United States of America have not been published by UNESCO since 1979. Officials are attempting to obtain more information for the United States.

Employment Statistics

Mr. Chris Smith asked the Secretary of State for Education and Science what is his estimate of the number of persons employed *(a)* full-time and *(b)* part-time in higher education, and further education, both (i) in teaching and (ii) in ancillary posts, for each of the years 1979, 1983 and 1986.

Mr. Walden: Information on the numbers of non-teaching staff in public sector higher and further education is not available centrally. The latest date for which complete information for universities is available is 1984. All figures are for England except the column showing non-teaching staff in universities, which has a wider geographical coverage.

Thousands

	Teaching staff [1]		*Non-teaching staff universities* [4]
Year [5]	*Public* [2] *sector*	*Universities* [3]	
1979			
Full-time	75·2	33·2	43·4
Part time:			
numbers	*	1·2	17·9
FTE [6]	*	*	9·0
1983			
Full-time	77·7	33·3	36·0
Part-time:			
numbers	*	2·1	14·5
FTE [6]	21·9 [7]	*	7·3
1984			
Full-time	77·6	33·8	34·0
Part-time:			
numbers	*	2·4	15·0
FTE [6]	22·3 [7]	*	7·0

* Not available.

[1] Staff in teaching grades. Not all of them had teaching duties at the date of the count.

[2] Maintained, assisted and grant aided establishments of further education. No figures are available for independent further education.

[3] Excludes the Open University and the University of Buckingham.

[4] United Kingdom but excluding Cambridge, the Open University and the University of Buckingham. Excludes craftsmen and supervisors (approximately 5,000 in 1984).

[5] Relates to the academic year starting in year stated for univesities and ending in year stated for all others.

[6] Full-time equivalent.

[7] Maintained establishments only.

Teachers of the Deaf

Mr. Alfred Morris asked the Secretary of State for Education and Science what recent representations his Department has received from the National Deaf Children's Society concerning the training of teachers of the deaf; what reply he is sending; and if he will make a statement.

Mr. Chris Patten: The director of the society has written a letter welcoming the general principle of post-experience training for the deaf and emphasising the need for sufficient in-service training to assure the supply of such teachers. My reply says that it is the Government's intention that appropriate in-service provision should be available when existing specialist initial training courses are phased out. It is intended that their last intakes will be in 1987. The costs to local authorities of such in-service training should be eligible for support under the new financial arrangements for in-service training which we intend to introduce on 1 April 1987 and for which we are seeking statutory powers through the Education Bill now before the House.

Secondary Schools

Mr. Teddy Taylor asked the Secretary of State for Education and Science if he has given any guidance to education authorities about the inclusion or exclusion of grammar schools from secondary reorganisation proposals; what is the policy of Her Majesty's Government on grammar schools; and if he will make a statement.

Mr. Dunn: Guidance to local education authorities on secondary reorganisation proposals designed to meet falling rolls was issued in DES circular 4/82. It is for local education authorities to take a view on the form and pattern of secondary education best suited to local circumstances and the preferences of parents.

Mr. Teddy Taylor asked the Secretary of State for Education and Science if he has given any advice to education authorities on the significance which they should give to the views of local industry and commerce when promoting any schemes for secondary reorganisation.

Mr. Dunn: No specific advice has been issued on this matter, but local education authorities are encouraged to consult widely before making statutory proposals for secondary reorganisation. It is open to local employers to make their views known either at the consultation stage or subsequently, as Government electors, when statutory notices are published under the provisions of sections 12 to 16 of the Education Act 1980.

Mr. Teddy Taylor asked the Secretary of State for Education and Science if his Department has collected statistics on the relative success of pupils in secondary schools in different areas of the country in obtaining O and A-level examination passes; and if he will make a statement.

Mr. Chris Patten: Statistics of the examination achievements of school leavers are collected annually. Results for 1983-84 have been published in statistical bulletin 4/86.

A study comparing examination achievements in different local education authorities was published in statistical bulletin 13/84, which considered examination achievements in the context of measures of social background and of schooling.

Vocational Qualifications

Mr. Ashley asked the Secretary of State for Education and Science if he proposes to establish a National Council for Vocational Qualifications.

Mr. Walden: The Government hope very shortly to announce their response to the recommendations of the review group on vocational qualifications, including the recommendations that a National Council for Vocational Qualifications be established. I cannot anticipate the details of that response, but I can say that the Government

have welcomed the thoughtfulness and hard work of the review group and will be considering all its recommendations with great care.

University of London

Mr. Radice asked the Secretary of State of Education and Science if he will publish a table showing for each university and each institution within the University of London, how many of its departments have had their research rated by the University Grants Committee outstanding, above average, average and below average.

Mr. Kenneth Baker: This information is available in the Library in the institutional annexes to the University Grants Committee's letter to universities of 20 May.

Sixth Form Colleges

Mr. D. E. Thomas asked the Secretary of State of Education and Science how many local education authorities in England have established sixth form colleges during the last five years, and how many had been established before that; and what proportion of sixth form students of each of the local education authorities receive their education at such colleges.

Mr. Dunn [*pursuant to his reply*, 12 June 1986, c. *276*]: There were 106 maintained secondary schools in January 1985 in local education authorities in England which were classified as sixth form colleges in the Department's annual census of schools compared with 96 schools five years later.

Over this period, 17 new sixth form colleges were established, according to the census, six were reclassified as tertiary colleges and one closed. The table lists the local authorities which had sixth form colleges recorded in the January 1985 census and gives the proportion of pupils aged 16 to 19 years in maintained schools in the local authorities who attended these colleges.

The number of sixth form colleges and the proportion of 16 to 19-year-olds in the maintained sector being taught there England, January 1985

	Number of sixth form colleges	*Percentage of 16 to 19 pupils being taught there*
Barnet	1	15
Harrow	4	99
Birmingham	4	23
Dudley	1	48
Sandwell	2	55
Solihull	1	74
Sefton	1	24
Bolton	2	47
Bury	3	100
Manchester	5	85
Salford	3	100
Stockport	1	9
Tameside	2	95
Wigan	2	77
Barnsley	1	57
Rotherham	1	29
Kirklees	3	50
North Tyneside	1	42
Avon	1	10
Bedfordshire	1	31
Cambridgeshire	2	33
Cheshire	3	19
Cleveland	9	92
Cornwall	2	35
Cumbria	1	13
Durham	1	21
East Sussex	4	42
Essex	2	17
Hampshire	10	82
Hereford and Worcester	2	21
Humberside	1	15
Lancashire	2	25
Leicestershire	4	34
Norfolk	2	18
North Yorkshire	1	12
Nottinghamshire	3	26
Oxfordshire	1	17
Salop	3	55
Somerset	1	34
Staffordshire	1	18
Surrey	7	51
Warwickshire	1	15
West Sussex	3	41

SOCIAL SERVICES

Pharmaceutical Price Regulation Scheme

Mr. Wood asked the Secretary of State for Social Services if the negotiations between his Department and representatives of the Association of the British Pharmaceutical Industry for a renewal of the pharmaceutical price regulation scheme are now complete; and if he will make a statement.

Mr. Fowler: The negotiations are complete, and the Association of the British Pharmaceutical Industry is now consulting its members on the outcome.

A renewal of the pharmaceutical price regulation scheme is proposed for a period of six years from 1 October 1986 with a provision for review after three years.

I have placed copies of the detailed proposals in the Library. They retain the essential characteristics of the scheme which was introduced in its present form in 1978 and which successive Governments have used to ensure that National Health Service pharmaceutical prices are reasonable and that the United Kingdom offers a fair return for pharmaceutical innovation and investment.

The detailed changes proposed include a more objective method, to be used from 1988-89, for keeping allowable rates of return on capital in line with changes in the average profitability of United Kingdom industry generally, and interim increases in the rates of return between renewal of the scheme and 1988-89 to reflect the rising trend in general industrial profitability. There would be a renewed and more explicit commitment on the industry's part to containment of the growth in pharmaceutical supply costs, and a more explicit basis for determining the research and development allowance in National Health Service prices which, in recognition of the costs and benefits of pharmaceutical innovation, the Government intend generally to maintain at not less than its present substantial level. There are also renewed and more explicit arrangements for consultation between the Government and the industry on trends in the costs of National Health Service medicines, and on any general developments in National Health Service pharmaceutical services. Sales promotion allowances met through National Health Service prices would remain constrained as at present to no more than 9 per cent. of the industry's

total National Health Service sales revenue, though in tightly defined cases of major pharmaceutical innovation companies would for a limited period be free to spend limited additional resources of their own on product familiarisation.

Pending the outcome of the association's consultation with its members, the present scheme remains in force.

Local Office Staffs

Mr. Deakins asked the Secretary of State for Social Services (1) what has been the establishment staff number for his Department's offices in Walthamstow, Brighton and Leicester, respectively, in each year since 1979; what has been the average number of vacancies per year; and how many days have been lost each year for illness and sick leave;

(2) how many staff have been employed in his Department's offices in Walthamstow, Leicester and Brighton, respectively, in each year since 1979; and what has been the average caseload for each member of staff.

Mr. Major: Information on average case loads is not available and some other information is not available in the precise form requested. Information that is available for each office is as follows:

	*Complement**	*Vacancies at 1 June†*	*Man years sick leave‡*	*Staff in post 1 June*
Walthamstow ILO		1979-80	N/A	N/A
N		/		A
147				
1980-81	N/A	N/A	N/A	159
1981-82	N/A	N/A	7·84	158
1982-83	152	N/A	8·21	159
1983-84	145	5	9·26	145
1984-85	145	2	8·92	146·5
1985-86	142	2	9·11	151·5
1986-87	153	1	1·55	158·5
Brighton ILO				
No information is available for 1979-82.				
1983-84	180	0	11·77	214
1984-85	186	4	9·32	195
1985-86	201	1	10·07	203
1986-87	214	0	2·81	206
Leicester (Burleys Way) ILO				
1979-80	105	N/A	N/A	N/A
1980-81	103	N/A	3·40	N/A
1981-82	107	N/A	5·62	N/A
1982-83	109	N/A	4·47	N/A
1983-84	93	0	4·52	N/A
1984-85	95	0	4·13	101
1985-86	100	0	3·59	103
1986-87	110	3·5	0·57	107·5
Leicester (Lower Hill St.) ILO				
1979-80	153	N/A	N/A	N/A
1980-81	155	N/A	7·40	N/A
1981-82	156	N/A	6·35	N/A
1982-83	156	N/A	5·85	N/A
1983-84	139	0	5·35	N/A
1984-85	143	0	6·97	149
1985-86	148	0·5	7·57	152
1986-87	161	4	1·78	157
Leicester (Norton St.) ILO				
1979-80	188	n/a	n/a	n/a
1980-81	188	n/a	5·26	n/a
1981-82	191	n/a	8·15	n/a
1982-83	190	n/a	5·98	n/a
1983-84	169	0	4·14	n/a
1984-85	183	0	5·57	178
1985-86	199	0	6·42	196·5
1986-87	220	9	2·22	202
Leicester (Yeoman St.) ILO		1979-80	175	n/a
n		/		a
n/a				
1980-81	188	n/a	5·67	n/a
1981-82	178	n/a	5·46	n/a
1982-83	191	n/a	5·35	n/a
1983-84	163	0	5·66	n/a
1984-85	171	0	5·78	171
1985-86	181	1	7·14	179
1986-87	202	7·5	1·21	188

Notes:

* 1986-87 figure is intended staff allocation for 1 July. Complement for the Leicester offices is a yearly average; for the other offices it is the complement following annual re-complementing.

† Vacancies are against complements in particular grades.

‡ 1986-87 figure is for the period 9 April to 3 June.

Abbreviations: ILO—Integrated local office; n/a—Not available.

Legionella

Mr. Allen Adams asked the Secretary of State for Social Services what evidence is available to his Department about any correlation between the incidence of Legionella and the use of water fittings which do not comply with British safety standards.

Mr. Whitney: Legionella pneumophila is an organism commonly found in water. Although there is some laboratory evidence that certain materials used in fittings —for example, washers—may support microbial growth, no outbreak of infection has been directly attributable to water fittings.

Cancer (West Cumbria)

Mr. Ashdown asked the Secretary of State for Social Services if he will make a statement on the progress in implementing recommendations numbered 5 to 7 of the report of the advisory group, chaired by Sir Douglas Black, on the incidence of cancer in West Cumbria.

Mr. Hayhoe: I refer the hon. Member to my reply to the hon. Member for Brent, South (Mr. Pavitt) on 16 May at columns *587-88*.

National Childbirth Trust

Mrs. Currie asked the Secretary of State for Social Services if his Department has considered an application for an exhibition relating to the National Childbirth Trust to be displayed in the Upper Waiting Hall.

Mr. Whitney: I understand that, under the procedures agreed by the Services Committee, arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall from Monday 23 June to Friday 27 June 1986.

Social Security Reform

Mr. Maples asked the Secretary of State for Social Services when he may expect to receive a reply to his letter of 22 April to the Secretary of State concerning proposed reforms to the social security system.

Mr. Major: I replied to my hon. Friend yesterday.

Benefit Fraud

Mr. Meadowcroft asked the Secretary of State for Social Services (1) what were the number of fraudulent benefit claims in Leeds in the years 1979 to 1985; and what was the average amount of money involved in each claim;

(2) if he will state the number of fraudulent benefit claims as a proportion of total numbers of benefit claims, in the years 1979 to 1985;

(3) if he will publish the average amount involved in *(a)* fraudulent benefit claims in the years 1979 to 1985 and *(b)* recovered from fraudulent claimants; and what is the average period of time over which repayments are made.

Mr. Major: The information requested is not available and could be obtained only at disproportionate cost.

Mr. Meadowcroft asked the Secretary of State for Social Services what is the number of his Department's staff based in Leeds; and what proportion of these are assigned to investigating fraudulent benefit claims.

Mr. Major: On 1 June 1986 875·5 staff were employed at the six Leeds offices. The number of posts allocated to fraud work in these offices at that date was 27. The proportion of posts allocated to the investigation of fraudulent benefit claims as a percentage of total staff employed is just over 3 per cent.

In addition, the specialist claims control teams based in the north-east region of the Department's local office network will on occasion be involved in the investigation of fraudulent benefit claims in Leeds. These staff are not included in local office complements.

Mr. Meadowcroft asked the Secretary of State for Social Services if he will state how many fraudulent benefit claims resulted in prosecution in 1985; and what was the number of prosecutions as a proportion of the total number of cases discovered.

Mr. Major: Six thousand, six hundred and seventy-six claimants were prosecuted by this Department for social security benefit fraud during 1985-86; this represents approximately 7 per cent. of those cases considered for legal proceedings.

Mr. Meadowcroft asked the Secretary of State for Social Services what was the number of staff employed by his Department to investigate fraudulent benefit claims, in the years 1979 to 1986.

Mr. Major: I regret the information requested is not available for 1979. The following table sets out the number of staff allocated by the Department's complementing system to fraud work for the years 1980 to 1986, and also includes specialist claims control staff not included in local office complements.

	Number
1980-81	2,044
1981-82	1,945
1982-83	2,284
1983-84	2,216
1984-85	2,488
1985-86	2,804
1986-87	*3,673

* Proposed

Mr. Meadowcroft asked the Secretary of State for Social Services what was the estimated cost of fraudulent benefit claims in the years 1979 to 1986.

Mr. Major: No reliable estimate is available of the cost of social security benefit fraud.

District Health Authorities (Rates)

Mr. Hargreaves asked the Secretary of State for Social Services if he has plans to ensure that those district health authorities facing a proportionately higher rates bill than the percentage increase in resources can meet their obligations without transferring funds from other cost centres.

Mr. Hayhoe: Health authorities are expected to meet pay and price increases and develop services from within the total resources allocated to them by the Government and their cost improvement programmes.

Mr. Hargreaves asked the Secretary of State for Social Services what was the total amount paid in lieu of rates for hospital and health centre buildings by the Blackburn, Hyndburn and Ribble Valley district health authority for each of the past three years; and what was the percentage change over the period.

Mr. Hayhoe: The annual accounts of the health authority show expenditure on rates as follows:

	£
1982-83	391,338
1983-84	418,700
1984-85	489,615

The figures reflect an increase of 25·1 per cent. (15 per cent. in real terms) over the period.

Nurses (Pay)

Mr. Meadowcroft asked the Secretary of State for Social Services what proportion of the nurses' pay award will be met by extra specific funds from his Department in *(a)* Leeds Western Health Authority, *(b)* the Yorkshire region and *(c)* England as a whole.

Mr. Hayhoe: The Government have increased cash limits for the hospital and community health services in England by £50 million, following the pay awards for review body staff. Of this increase, £3·575 million has been allocated to the Yorkshire regional health authority. The allocation of this sum amongst district health authorities is a matter for the region.

The Government's assessment is that this increase to their initial cash limits, together with the benefits of falling general inflation, will enable health authorities to meet the costs of the pay awards for all review body staff without adversely affecting patient services. The increased funding has not been apportioned between individual staff groups.

Junior Hospital Doctors

Mr. McCrindle asked the Secretary of State for Social Services if he is satisfied with the recruitment level of junior hospital doctors; how many have been recruited from EEC countries; and if he will make a statement.

Mr. Hayhoe: The latest available figures for numbers of junior hospital doctors are set out in the following table. Although overall the numbers in post have been increasing, I am aware of recent reports of recruitment difficulties in particular specialties and locations and I am

considering the position. With regard to doctors from European Community countries, I refer my hon. Friend to my reply to him on 12 May at column *387*.

Hospital Doctors in Training Grade Posts at 30 September: England

	1981		1982		1983		1984		1985	
	Number	*Wte*	*Number*	*Wte*	*Number*	*Wte*	*Number*	*Wte*	*Number*	*Wte*
All doctors in Training	20,761	19,973·6	20,946	20,209·6	21,358	20,620·7	21,105	20,450·8	21,511	20,796·6
of which:										
Senior Registrars	2,935	2,546·2	2,951	2,588·4	3,084	2,677·9	2,988	2,638·0	3,132	2,755·4
Registrars	5,657	5,339·1	5,771	5,472·3	5,821	5,559·8	5,755	5,503·7	5,749	5,483·2
Senior House Officers*	9,453	9,372·8	9,514	9,440·5	9,627	9,557·8	9,598	9,537·0	9,792	9,721·5
House Officers	2,716	2,715·5	2,710	2,708·4	2,826	2,825·2	2,773	2,773·1	2,838	2,836·5

Source: National Health Service Hospital census.
* includes post-registration house officers 1981 to 1983.
Wte = whole time equivalent.

Supplementary Benefit

Mr. Clay asked the Secretary of State for Social Services how many people were in receipt of supplementary benefit in *(a)* Cleveland and *(b)* Langbaurgh parliamentary constituency for each year since 1979.

Mr. Major: The county of Cleveland is covered by five of the Department's local offices — Eston, Hartlepool, Middlesbrough, Redcar and Stockton. The boundaries of these offices are conterminous with the boundary of Cleveland. Two of these offices, Eston and Redcar, deal with the parliamentary constituency of Langbaurgh and the boundaries are conterminous.

Figures of people receiving supplementary benefit from the five offices covering the county of Cleveland in May 1986, and at comparable dates for the previous seven years, are as follows:

	Number
1979	39,637
1980	41,690
1981	49,623
1982	59,850
1983	65,286
1984	72,212
1985	77,657
1986	78,241

Figures of people receiving supplementary benefit at the two offices covering the parliamentary constituency of Langbaurgh for the same dates are as follows:

	Number
1979	9,403
1980	9,584
1981	11,459
1982	13,759
1983	15,771
1984	17,493
1985	18,926
1986	18,603

Source: 100 per cent. count of cases in action in each local office.

THE ARTS

Visiting Arts

Sir David Price asked the Minister for the Arts whether he will make a statement on the level of funding for Visiting Arts.

Mr. Luce: I am pleased to report a substantial increase in the direct funding of the Visiting Arts organisation in the present financial year. The overall budget of the Visiting Arts organisation in 1986-87 will be trebled compared with 1985-86 to enable it to develop the already valuable work that it performs in facilitating visits by overseas artists and performers. The contributions will include an Arts Council grant of £210,000, in partial replacement of previous direct GLC funding; an additional contribution of £50,000, to be increased by £25,000 if further matching funding is obtained, by my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs; and a contribution from me of £50,000.

AGRICULTURE, FISHERIES AND FOOD

Colliery Waste

Mr. Campbell-Savours asked the Minister of Agriculture, Fisheries and Food how many collieries currently deposit waste in sea areas surrounding the United Kingdom; what was the total tonnage deposited in the latest year for which figures are available; and what materials were involved.

Mr. Gummer: Three collieries in the United Kingdom are licensed under the provisions of part II of the Food and Environment Protection Act 1985 to dispose of waste at approved sites off the coast. The last full year of production, before the coal strike, was 1983 when 1,770,000 tonnes of minestone was deposited.

Fishing Vessels

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will give the number of fishing vessels decommissioned, the total cost in grants, the number of new vessels and the total cost in grants in England and Scotland in each of the years 1980, 1981, 1982, 1983, 1984 and 1985, respectively.

Mr. Gummer: The following are details on vessels and grants in England and Scotland for which information is available:

Year	Vessels decommissioned*	Grant	New vessels†	Grant
		£		£
		England		
1980	—	—	7	607,000
1981	—	—	30	390,000
1982	—	—	23	494,000
1983	—	—	26	645,000
1984	34	6,221,960	27	876,000
1985	61	6,137,704	28	700,000
		Scotland		
1980	—	—	15	2,020,000
1981	—	—	16	1,709,000
1982	—	—	20	1,543,000
1983	—	—	13	1,538,000
1984	18	726,264	21	2,224,000
1985	27	611,624	23	3,129,000

* Vessels decommissioned with grant under the Fishing Vessels (Financial Assistance) Scheme 1983.
† Figures relate to new vessels joining the fleet in the years shown on which grant was paid. FEOGA grants paid on some vessels are not included.

Animal Welfare

Mr. Robert B. Jones asked the Minister of Agriculture, Fisheries and Food what are his Department's principal achievements in the field of animal welfare since May 1979.

Mrs. Fenner: We have set up the Farm Animal Welfare Council, which has carried out wide-ranging studies and made recommendations to improve the welfare of animals on the farm, at markets and at slaughter. Its current studies include the transport of animals. We have sponsored the Animal Health and Welfare Act 1984 and made regulations to protect the welfare of poultry at the point of slaughter, have made regulations to stop unnecessary mutilations on the farm, and have introduced new welfare codes for cattle and pigs. We have also commissioned research into various aspects of poultry slaughter. Within the European Community we have secured the adoption of a directive to tighten enforcement of the rules governing welfare in transit and made implementing legislation and we have supported the setting of minimum welfare standards for battery hens. We have also played an active part in the formulation of welfare measures on hens and pigs within the Council of Europe. Work is well advanced on further codes and regulations on welfare at the point of slaughter.

Mr. Robert B. Jones asked the Minister of Agriculture, Fisheries and Food what are his policy objectives in the field of animal welfare.

Mrs. Fenner: Our objective is to ensure that farm animals are kept, transported, marketed, exported and slaughtered under satisfactory welfare conditions.

Cheese

Mr. Shersby asked the Minister of Agriculture, Fisheries and Food if he will make it his policy to encourage small English cheese producers to produce camembert, brie and other soft cheeses; and if he will make a statement.

Mr. Gummer: I welcome the innovative efforts of the dairy industry to develop new products and thus expand the market for milk. The way forward for a strong and healthy dairy industry involves thorough market research and promotion and products marketed at a consistently high quality and at a competitive price. It is for the industry itself to consider and decide how this should best be achieved.

Animal Feed Processing Units

Mr. John Carlisle asked the Minister of Agriculture, Fisheries and Food whether he expects animal feed processing units now classified as farm units to be exempt from payment of the cereal co-responsibility levy.

Mr. Gummer: The Commission rules for implementing the cereals coresponsibility levy have not yet been published in the *Official Journal of the European Communities*. I currently expect levy to be payable on cereals processed and then put on the market by any animal feed processing unit.

Cereals (Co-responsibility Levy)

Mr. John Carlisle asked the Minister of Agriculture, Fisheries and Food when he expects to announce the system of collection to be used for the co-responsibility levy on cereals.

Mr. Gummer: The cereals coresponsibility levy applies from 1 July to this season's Community grain which undergoes first processing, is exported or is sold into intervention. The system of collection will be outlined in Commission rules which have not yet been published in the *Official Journal of the European Communities*. I expect these to be supplemented by a statutory instrument which will be laid before the House as soon as possible.

Rice

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food what was the volume of EC exports of rice in each of the years 1980 to 1985, inclusive; and what was the cost to the EC budget of export restitutions for rice in each of those years.

Mr. Gummer: The information requested is as follows:

	1980	1981	1982	1983	1984	1985
European Community* exports of rice to third countries (thousand of tonnes—milled equivalent†)	377,433	380,189	319,471	358,320	339,580	470,602
European Community expenditure on export restitutions for rice (million ecus)‡	44·4	17·2	30·0	67·9	26·9	‖35·8

* 1980—EC-9; 1981-85—EC-10.
† Source: Eurostat.
‡ Source: FEOGA financial report.
‖ Provisional.

SCOTLAND

Job Creation, Renfrew

Mr. Allen Adams asked the Secretary of State for Scotland what measures he proposes to take to promote employment in Renfrew district in the light of the 95 redundancies announced by Armitage Shanks of Barrhead.

Mr. Allan Stewart: The Government's full range of employment measures continues to be available to unemployed people in Renfrew district. These comprise the following:

Community Industry;
Community Programme;
Job Release Scheme;
Job Splitting Scheme;
Enterprise Allowance Scheme;
Voluntary Projects Programme;
Geographical Mobility Schemes;
Services for Seriously Disabled.

The Government's overall economic policies are designed to produce the right environment for enterprise to flourish and thereby to create employment opportunities in the longer term.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Scotland how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Rifkind: In 1983-84 one Minister and 12 officials from my Department gave evidence to Select Committees of the House including the Public Accounts Committee; the figures for 1984-85 were three Ministers and 19 officials. A number of Ministers and officials gave evidence on more than one occasion.

Power Generation

Mr. Bruce asked the Secretary of State for Scotland what will be the total capacity of the generating stations of the two Scottish electricty boards, including oil-fired capacity, when Torness becomes fully operational.

Mr. Allan Stewart: I am advised by the Scottish electricity boards that their maximum available sent-out capacity in 1989-90, taking Torness at its full output capacity, will be 9,788 MW. This includes 1,284 MW of oil-fired capacity which is available for immediate operational use but excludes 1,926 MW of oil-fired capacity held in reserve which is not so available, and also excludes generating plant on the Scottish islands.

Hunterston (Fire)

Mr. Foulkes asked the Secretary of State for Scotland what information he has as to *(a)* the extent of the fire at Hunterston on Monday 16 June, *(b)* the damage which resulted, *(c)* the implications for the operation of the reactor and *(d)* the radioactive discharge or contamination which occurred; and if he will make a statement.

Mr. Allan Stewart: I am advised by the SSEB that a bearing in the number 8 turbine at Hunterston B nuclear power station caught fire at 11.41 am on Monday 16 June and the fire was extinguished at 11.52 am. Damage was limited to the turbine bearing and cabling in the immediate vicinity. The reactor was shut down immediately. There are no implications for radioactive discharge or contamination. The board expects that the unit will be operational again within a few days.

Hospital Waiting Lists

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the number of patients on waiting lists for *(a)* urgent treatment and *(b)* non-urgent treatment on a health board basis for 1979 and each subsequent year.

Mr. John MacKay: Information distinguishing urgent and non-urgent cases is not held centrally. The numbers on waiting lists at 30 September in the years in question were as follows:

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985**
Argyll and Clyde	5,813	6,458	6,351	4,715	7,137	7,627	7,211
Ayrshire and Arran	4,438	4,364	4,005	4,731	5,051	5,045	5,214
Borders	486	637	411	382	402	255	330
Dumfries and Galloway	2,236	1,897	1,883	2,894	2,871	2,529	2,681
Fife	4,617	4,245	3,974	6,857	6,477	6,127	5,788
Forth Valley	4,742	4,233	3,466	3,893	3,547	2,766	2,745
Grampian	7,848	7,036	7,012	10,651	10,247	9,172	8,642
Greater Glasgow	15,947	15,320	15,776	18,612	19,266	18,749	16,006
Highland	1,188	1,354	1,224	1,703	1,941	1,806	2,543
Lanarkshire	5,303	5,222	5,247	9,110	8,282	7,520	6,983
Lothian	13,007	10,834	9,715	16,953	14,717	13,845	13,381
Orkney	38	48	46	42	56	54	58
Shetland	277	207	204	186	125	140	174
Tayside	5,142	5,333	5,599	5,473	8,112	7,369	6,493
Western Isles	165	199	315	163	107	73	78

* 1985 data are provisional.

The increase in waiting lists caused by industrial action in 1982 is now being steadily reduced over Scotland as a whole. Lists tend to overstate numbers of patients waiting for treatment since they include duplicated entries and patients who no longer need treatment. Lists exclude altogether the significant numbers of patients who are admitted directly into hospitals without being at any stage included in waiting lists, that is, emergency cases.

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report*, the average waiting time for *(a)* urgent treatment and *(b)* non-urgent treatment for each health authority for 1979 and each subsequent year.

Mr. John MacKay: Information distinguishing urgent and non-urgent cases is not held centrally. The mean waiting times (in days) for all in-patient treatment up to 1984 (the latest year for which statistics are available) were as follows:

	1979	*1980*	*1981*	*1982*	*1983*	*1984*
Argyll and Clyde	89	98	93	77	103	95
Ayrshire and Arran	85	92	86	95	108	107
Borders	87	75	88	59	60	54
Dumfries and Galloway	95	126	98	95	147	128
Fife	89	85	97	71	138	123
Forth Valley	106	95	90	72	92	81
Grampian	90	89	90	73	138	111
Greater Glasgow	74	65	63	59	105	81
Highland	4	46	49	55	58	63
Lanarkshire	76	73	67	67	79	57
Lothian	80	69	62	60	83	72
Orkney	21	25	19	24	19	22
Shetland	89	94	115	66	59	46
Tayside	70	70	77	71	97	94
Western Isles	45	49	46	48	57	43
Scotland	79	75	73	67	98	85

The general increase in 1983 reflects the effect of industrial action in 1982.

Semi-natural Woodlands

Mr. Pollock asked the Secretary of State for Scotland if he is in a position to make a statement of the Government's consideration of whether, within the existing rules, ancient semi-natural woodlands should be able to qualify for exemption from capital taxation in recognition of their heritage value.

Mr. Rifkind: The policy statement on broadleaved woodlands made on Wednesday 21 July 1985 by my right hon. Friend the Member for Ayr (Mr. Younger) at columns *557-61* indicated that the Government would be giving consideration to this matter. The conclusion which has been reached is that ancient semi-natural woodlands which are, or could be, properly included on the Nature Conservancy Council's "Inventory of Ancient Woodland" are eligible for consideration for exemption under the existing rules. In order to bring this matter to the attention of woodland owners, it has been decided to include a specific reference to the position in the next revision of the Treasury memorandum "Capital Taxation and the National Heritage", the official guide on tax reliefs for heritage property. This passage will read as follows:

"Ancient semi-natural woodlands which are, or could be, properly included on the Nature Conservancy Council's Inventory of Ancient Woodland will be eligible for consideration for exemption on scientific as well as scenic or historic grounds, but each case will need to be considered on its merits. Other woodlands on ancient woodland sites, including plantations, would not normally be expected to qualify on scientific grounds, but may be accepted if they satisfy the criteria relating to land of outstanding scenic or historic interest."

In our broadleaves policy statement of Wednesday 24 July 1985, we said that steps would be taken, in particular, to ensure that the special interest of the ancient semi-natural woodlands is recognised and maintained. I hope that the amplification of the capital taxation provisions that I have given above will provide a positive lead to owners of such woodlands and other woodlands of outstanding interest.

Labour Statistics (Stirling)

Mr. Michael Forsyth asked the Secretary of State for Scotland if, further to his answer of 16 June, *Official Report*, he will publish the information on the structure of employment in the Queensland division of the Stirling constituency which was available to him when he decided not to include that area within the Highlands and Islands Development Board.

Mr. Allan Stewart: I shall reply to my hon. Friend as soon as possible.

EMPLOYMENT

Asbestos-related Diseases

Mr. Parry asked the Paymaster General how many persons have died from asbestos-related diseases in England and Wales in each of the last five years.

Mr. Trippier: The following table gives the numbers of death certificates which mention the asbestos-related diseases asbestosis and mesothelioma. Some deaths involving mesothelioma may not be related to asbestos. The most recent figures are for 1984.

Death certificates mentioning asbestos-related diseases

	1980	*1981*	*1982*	*1983*	*1984*
England and Wales					
Asbestosis without mesothelioma	90	119	119	108	115
Asbestosis with mesothelioma	67	62	76	86	78
Mesothelioma without asbestosis	338	352	368	426	468
Total	495	533	563	620	661

In addition, studies have shown that workers heavily exposed to asbestos in the past now suffer a significantly higher incidence of lung cancer than the general population. There are, however, no figures of the total numbers of asbestos-related deaths from this disease.

Job Creation (Portsmouth)

Mr. Hancock asked the Paymaster General if he will specify job-creating schemes planned for the Portsmouth area in the next year.

Mr. Lang: The full range of employment, enterprise and training opportunities described in the "Action for Jobs" booklet is available to people living in Portsmouth. The only exception is the new career development loans initiative which we are piloting in four areas. I am pleased to say that a jobclub will be opening in Portsmouth in the early autumn.

Clean-up Campaign

Mr. Hancock asked the Paymaster General when the proposed clean-up campaign will be started.

Mr. Lang: My right hon. Friend, the Secretary of State for the Environment will shortly announce the start of a new initiative aimed at increasing the quantity and quality of environmental improvement work carried out by voluntary agencies and by workers within the community programme.

Unemployed Persons (Newspaper)

Mr. Hancock asked the Paymaster General if he has any plans to publish a newspaper for unemployed people; and if he will make a statement.

Mr. Lang: I have no plans to publish a newspaper for unemployed people. My Department and the MSC do, however, produce a wide range of publicity material covering the services available to both employed and unemployed people, including *Executive Post*, a newspaper distributed without charge to those registered with professional and executive recruitment.

Labour Statistics

Mr. Clay asked the Paymaster General how many people were unemployed for more than one year in *(a)* Cleveland and *(b)* Langbaurgh parliamentary constituency for each year since 1979.

Mr. Lang: The following information is in the Library. The table gives figures for 10 April 1986, the latest date for which an analysis of unemployment by duration is available and for April 1984 and April 1985. The comparison is affected by the change in timing of compilation of unemployment statistics in March 1986. Statistics of unemployment for metropolitan areas and Parliamentary constituencies are derived from the new ward-based system and are available only from June 1983.

Claimants unemployed over one year

	Cleveland metropolitan area	*Langbaurgh parliamentary constituency*
April 1984	25,135	3,643
April 1985	27,991	3,979
April 1986	27,295	3,954

Mr. Clay asked the Paymaster General (1) what information he has as to how many people were employed in the chemical and associated industries in Cleveland for each year since 1979;

(2) how many people were employed in manufacturing industry in Cleveland for each year since 1979.

Mr. Lang: The available information is from censuses of employment taken in 1978 and 1981 and is as follows:

Cleveland: Employees in employment in manufacturing industries and in chemical and allied industries

Standard Industrial Classification 1968	*June 1978*	*September 1981*
Manufacturing industries (Orders III to XIX)	93,700	73,700
Chemical and allied industries (Order V)	26,500	21,000

More up-to-date employment figures for counties will become available following publication of the 1984 census of employment later this year. Between censuses, employment estimates are based on small scale sample inquiries which cannot produce reliable results for areas smaller than regions.

Mr. Clay asked the Paymaster General how many people were registered as unemployed in *(a)* Cleveland and *(b)* Langbaurgh parliamentary constituency for each year since 1979.

Mr. Lang: The following information is in the Library. The numbers of unemployed claimants in the Cleveland metropolitan area and the Langbaurgh parliamentary constituency for May of each year from 1984 to 1986 are as follows:

	Cleveland	*Langbaurgh constituency*
May 1984	54,933	8,275
May 1985	56,191	8,327
May 1986	53,205	7,917

The comparison is affected by the change in the timing of compilation of unemployment statistics in March 1986. Statistics of unemployment for metropolitan areas and parliamentary constituencies are derived from the new award-based system and are available only from June 1983.

Mr. Clay asked the Paymaster General what is his estimate of the number of unemployed construction workers in Cleveland.

Mr. Lang: The information is not available.

Data on the previous occupations of the unemployed are derived from the labour force survey, and cannot be provided for areas smaller than regions because of the sampling error that would be involved.

Tourism

Mr. Ottaway asked the Paymaster General if the review of the section 4 financial assistance scheme for tourism in England has been completed; and if he will make a statement.

Mr. Trippier: The Department has recently completed its review of the scheme of financial assistance run by the English tourist board under section 4 of the Development of Tourism Act 1969. The Government announced in the tourism review statement on 22 November 1983 at columns 167-80 that we planned to maintain grants for section 4 expenditure in England at about the current level over the four years to 1986-87 giving a total of some £35 million for the period. It was agreed to review the scheme towards the end of that period.

The Government have now decided to continue the section 4 scheme in England. In reaching this decision,

account has been taken of a study carried out by Department of Employment economists which indicates that the scheme has a valuable role in the creation of jobs at regional and local level. The English tourist board has therefore been requested to develop detailed proposals for the launch later this year of a revised section 4 scheme. This will reflect the findings of the Department's study and of the ETB's own assessment of work carried out by its consultants.

Decisions on the future level of funding for the scheme will be announced in the autumn after the current year's public expenditure round has been completed.

The scheme will also continue to be operated in Scotland and Wales.

New Businesses (Survival Rates)

Mr. Allan Roberts asked the Paymaster General what information he has about the survival rate of new start worker co-operatives in Britain; and what comparable information he has about the survival rate of traditional forms of small business new starts.

Mr. Trippier: No information is available on new start worker co-operatives but the co-operative Development Agency estimates that in any one year 90 per cent. of the total stock of worker co-operatives will survive. Information about the lifespan of small businesses more generally was published in "British Business" on 12 August 1983 and 7 October 1983. Copies of these articles were placed in the Library.

Co-operatives

Mr. Allan Roberts asked the Paymaster General what information he has as to how many people are currently employed in worker co-operatives in Britain.

Mr. Trippier: It is estimated that there are around 12,000 people currently employed in worker co-operatives in the United Kingdom. An estimate for Great Britain alone is not available.

Mr. Allan Roberts asked the Paymaster General what information he has as to how many jobs have been created in worker co-operatives in Britain since 1976.

Mr. Trippier: I regret that there are not sufficient data available on worker co-operatives to make an assessment of job creation over the period in question. However, in 1980 there were 305 worker co-operatives employing 5,342 people compared to around 1,400 co-operatives employing about 12,000 people currently.

Mr. Allan Roberts asked the Paymaster General what information he has as to the average annual rate of growth of employment in firms registered under the Industrial Common Ownership Act 1976 during the period November 1976 to 31 March 1986.

Mr. Trippier: The certification of co-operative and common ownership enterprises under the Industrial Common Ownership Act 1976 ceased on 2 November 1981 when the financial provisions of the Act expired. Certification was for the purpose of identifying potential recipients of loans under the Act. No information is available on the growth of employment in those enterprises certified under the Act between 1976 and 1981.

ENERGY

Nuclear Industry Radioactive Waste Executive

Mr. Douglas Hogg asked the Secretary of State for Energy when it is intended to appoint the two independent directors to the Nuclear Industry Radioactive Waste Executive.

Mr. Goodlad: The appontments will be made as soon as selection procedures have been completed. I cannot, at this moment, say exactly when that will be.

Nuclear Reactors

Mr. Dobson asked the Secretary of State for Energy how many people and how many children under five and under 18 years, respectively, live within five, 10, 25, and 50 milies, respectively of power generating nuclear reactors.

Mr. Goodlad [*pursuant to his reply*] 23 May 1986, c. *354*]: Information is not available in the form requested. The following table sets out estimates, which were derived from data held by the Office of Population Censuses and Surveys, relating to the 19 principal civil nuclear establishments of the Central Electricity Generating Board, the South of Scotland Electricity Generating Board, the United Kingdom Atomic Energy Authority and British Nuclear Fuels plc, some of which do not have operating power reactors.

Distance from nuclear facilities

Ages	*up to 5 miles*	*up to 10 miles*	*up to 25 miles*	*up to 50 miles*
Under 5	45,000	175,000	900,000	2,500,000
Under 20	200,000	800,000	4,000,000	11,000,000
All	700,000	3,000,000	14,000,000	40,000,000

FOREIGN AND COMMONWEALTH AFFAIRS

Greece

Sir Dudley Smith asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Greek Government on the current requirement for British travellers to Greece to complete landing forms, in the light of that country's membership of the European Economic Community.

Mrs. Chalker: Under the transitional arrangements in their accession Treaty, the Greek authorities are not required to apply the full provisions of the treaty of Rome on free movement of persons until the end of 1987. Until then they are entitled to require landing cards for travellers

other than the self-employed who already have full treaty rights during the transitional period. For this reason I do not propose to make general representationss at present though I would consider sympathetically any evidence of inconvenience to British travellers which may have come to my hon. Friend's attention.

International Strategic Alliances

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs if he will list in the *Official Report* those international strategic alliances to which the United Kingdom is currently a signatory; and if he will indicate in each case the date on which the United Kingdom first became a signatory.

Mr. Renton: There are two international strategic alliances to which the United Kingdom is currently signatory: the North Atlantic Treaty Organisation, of which the United Kingdom became a member upon signature of the North Atlantic Charter on 4 April 1949; and the Western European Union of which the United Kingdom became a member upon its creation on 6 May 1955. The Union replaced the Brussels treaty organisation, of which the United Kingdom had become a member upon signature of the Brussels treaty on 17 March 1948.

Mr. Raoul Wallenburg

Mr. Burt asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Government of the Union of Soviet Socialist Republics concerning the case of Mr. Raoul Wallenburg; and if he will make a statement.

Mr. Renton: I refer my hon. Friend to the reply my right hon. Friend the Prime Minister gave earlier today to the hon. Member for Dumbarton (Mr. Campbell).

Cyprus

Mr. Speed asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with Greek Cypriot leaders about the Cyprus peace plan put forward by the Secretary General of the United Nations.

Mr. Renton: When my right hon. Friend the Prime Minister and my right hon. and learned Friend met President Kyprianou on 7 April the UN initiative was discussed. We have subsequently remained in close contact with the Government of the Republic of Cyprus through diplomatic channels.

Mr. Speed asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policy towards the renewal of the mandate of the United Nations peacekeeping force in Cyprus.

Mr. Renton: The UNFICYP mandate was unanimously renewed for a further six months on 14 June as Security Council resolution 585. We joined the other troop contributors in issuing a statement drawing attention to the financial burden imposed by UNFICYP and expressing concern that other UN members should not take for granted the force's existence.

Republic of Ireland (Prime Minister)

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs when the Prime Minister of the Republic of Ireland last requested a meeting with the United Kingdom ambassador; what was the subject of the representations; and if he will make a statement.

Mr. Renton: No such request has been received recently.

NORTHERN IRELAND

Small Businesses

Mr. Ashdown asked the Secretary of State for Northern Ireland if he will list those measures introduced by his Department within the past year and intended to be of benefit to small businesses.

Dr. Boyson: In the past year the Local Enterprises Development Unit (LEDU), Northern Ireland's small firms agency, has introduced a market development grant scheme to help small firms adopt a better approach to marketing and a property development grant to encourage private developers to provide accommodation suitable for small companies. LEDU has also substantially revised its enterprise grant scheme for business start-ups, increasing the grant levels and adding a second tier of grant to stimulate very small firms to expand their work force. In April 1986 I announced an additional allocation of resources to this scheme, which will enable it to cater for a further 200 businesses in the current year.

In addition, LEDU has extended its interest relief grant scheme to include interest charged to companies for factoring services and has significantly increased the grant limits under the better business services and innovation support services schemes, which help small firms to obtain professional expertise on business problems and the introduction of new technology.

Outside LEDU's sphere, I have announced an expansion of the Northern Ireland enterprise allowance scheme to 2,200 places by April 1987 and a reduction in the qualifying period of unemployment for the scheme from 13 to eight weeks.

A product development workshop has been established at Springtown training centre in Londonderry. The workshop's aim is to provide facilities to entrepreneurs wishing to develop new ideas or to manufacture prototypes.

Small firms in Northern Ireland may also benefit from the introduction or improvement of schemes administered on a national basis, such as the small firms loan guarantee scheme.

A major element in the Government's effort to help small firms is the policy of deregulation which, as the White Paper "Building Businesses . . . not Barriers" indicates, is being pursued as a parallel exercise in Northern Ireland.

Electricity Service (Site Sale)

Mr. John David Taylor asked the Secretary of State for Northern Ireland whether the Northern Ireland Electricity Service sold its 1·3 acre site at the rear of Chesterbrook crescent, Newtownards, Co. Down, by private treaty or by public advertisement; whether any requests to purchase

parts of this site had been received by the Northern Ireland Electricity Service from adjoining householders; if adjoining householders were advised that the site was for sale; and if he will make a statement on the procedures implemented by the Northern Ireland Electricity Service in respect of the sale of this site.

Dr. Boyson: The Northern Ireland Electricity Service sold the site in question by private treaty following public advertisement.

In 1983, various people, including a public representative acting on behalf of local residents, expressed an interest in buying the land. At that time all inquirers were told that the land would not be placed on the market until after the completion of a road widening scheme.

The land was eventually offered for sale in October 1985 and, at that time, advertisements were placed in all editions of two local newspapers. A large hoarding was also erected on the land. Adjoining householders were not separately advised of the intended sale and, in the event, no offers were received from them. In undertaking the sale of this site, the Northern Ireland Electricity Service followed its normal practice, which is to sell to the highest bidder by means of private treaty following notice of its intention to sell.

20 Main Street, Milliste, Co. Down

Mr. John David Taylor asked the Secretary of State for Northern Ireland whether the planning authority consulted the traffic branch of the Royal Ulster Constabulary prior to its decision to issue final planning permission for the change of use of premises at 20 Main street, Milliste, Co. Down; whether he is satisfied that larger oil tankers emerging from this location into Main street do not constitute a traffic hazard; and if he will make a statement.

Mr. Needham: The roads service of the Department of the Environment was consulted on this matter prior to the issue of planning permission and its advice was that there were no traffic reasons which would have justified a refusal of permission. On this basis it was not considered necessary to consult the traffic branch of the Royal Ulster Constabulary. The site was formerly used as a petrol filling station to which deliveries were made by large oil tankers and it is not anticipated that the proposed new use of the site will lead to a traffic hazard.

Job Creation

Mr. Bell asked the Secretary of State for Northern Ireland what is the number of jobs promoted by the Industrial Development Board and its predecessor, the Department of Commerce, for *(a)* indigenous firms and *(b)* overseas firms in Northern Ireland since 1978-79; how many of these jobs are the result of (i) new enterprise or (ii) expansion; and what is the average cost per job.

Dr. Boyson: The following table contains the information requested:

Jobs Promoted

Year	Indigenous Firms		Overseas Firms		Total
	New	Expansions	New	Expansions	
1978-79	357	1,204	4,165	1,364	7,090
1979-80	308	1,793	3,100	2,333	7,534
1980-81	430	769	178	1,928	3,305
1981-82	131	381	348	815	1,675
1982-83	265	1,063	159	2,304	3,791
1983-84	715	1,191	539	1,111	3,556
1984-85	394	1,478	548	2,847	5,267
1985-86	204	1,224	224	1,258	2,910
TOTAL	2,804	9,103	9,261	13,960	35,128

The average cost per job for all indigenous and overseas jobs assisted during 1985-86 was £5,262 and £8,776 respectively. A breakdown of the cost per job between new and expansion cases could not be provided without disproportionate cost.

Mr. Bell asked the Secretary of State for Northern Ireland how many jobs have been promoted since 1978-79 by the Industrial Development Board or its predecessor the Department of Commerce in the following industrial groups: *(a)* engineering, *(b)* textiles, clothing and leather, *(c)* food, drink, and tobacco and *(d)* all other industries; and what was the average cost of each job.

Dr. Boyson: The number of new jobs promoted since 1978-79, by industrial group, is set out in the following table:

	Engineering	Textiles Clothing and Leather	Food, Drink and Tobcacco	All Other Industries	Total
1978-79	4,634	1,282	144	1,030	7,090
1979-80	4,802	1,786	325	621	7,534
1980-81	1,494	1,092	264	455	3,305
1981-82	667	450	89	469	1,675
1982-83	2,368	598	567	258	3,791
1983-84	1,276	1,425	545	310	3,556
1984-85	1,615	1,286	1,309	1,057	5,267
1985-86	465	1,194	401	850	2,910
TOTAL	17,321	9,113	3,644	5,050	35,128

Information on the average cost of each job promoted could be provided only at disproportionate cost. However, the average cost per job for all jobs to which selective assistance was related during 1985-86 was £7,063.

Conversion Grants

Mr. Archer asked the Secretary of State for Northern Ireland which private sector organisations in Northern Ireland received capital cost conversion grants in 1985 and 1986 for residential premises for the elderly from *(a)* the Local Enterprise Development Unit (LEDU) and *(b)* the Department of Health and Social Services (Northern Ireland); what amounts were paid to each organisation in each case; and on what basis payments were made and what proportion of total conversion costs these formed in each case.

Dr. Boyson: Neither LEDU nor DHSS pay capital cost conversion grant in respect of residential premises for the elderly. However, LEDU has offered assistance towards the cost of adaptation of premises for nursing homes for both elderly and other patients. This assistance amounted to £193,826 in respect of eleven projects in 1985 and £134,440 in respect of three projects in 1986. For reasons of commercial confidentiality it is not our practice to give details of individual projects.

Lough Neagh

Mr. Archer asked the Secretary of State for Northern Ireland whether a statement on the ecological consequences of sand and gravel extraction as currently practised in the north-west sector of Lough Neagh has been deposited with the International Union for the Conservation of Nature and National Resources, under article 3.2 of the Ramsar convention.

Mr. Needham: The practice of extracting sand and gravel from Lough Neagh pre-dates the coming into force of the Ramsar convention. There have been no significant technological changes in this extraction which would alter its overall effect and it is therefore considered inappropriate to deposit a statement under that convention.

Mr. Archer asked the Secretary of State for Northern Ireland whether a statement on the ecological consequences of the recent introduction of roach (Rutilus rutilus) to Lough Neagh has been deposited with the International Union for the Conservation of Nature and Natural Resources, under article 3.2 of the Ramsar convention.

Dr. Boyson: The presence of roach in Lough Neagh pre-dates United Kingdom ratification of the Ramsar convention and their presence is not considered to result from technological developments, pollution or other human interference. It would therefore be inappropriate to take action under article 3.2 of the convention.

Mr. Archer asked the Secretary of State for Northern Ireland what assistance or encouragement is given by Her Majesty's Government to research into the flora and fauna of Lough Neagh.

Dr. Boyson: The Northern Ireland Departments of Agriculture and Environment conduct research on the flora and fauna of Lough Neagh. The Government have also provided some £150,000 over the past 18 years in support of work conducted by the University of Ulster.

Grammar Schools

Mr. Teddy Taylor asked the Secretary of State for Northern Ireland how many grammar schools there are in the various areas of Northern Ireland; what is the percentage of selection for such grammar schools: what indications he has of the success of pupils from Northern Ireland secondary schools in external O and A level examinations compared with the rest of the United Kingdom; and if he will make a statement.

Dr. Mawhinney: There are 77 grammar schools in the following education and library board areas:

	Number
Belfast	18
Western	13
North-Eastern	18
South-Eastern	10
Southern	18

Of the total number of pupils tranferring to secondary education for the 1985-86 school year just over 28 per cent. transferred to grammar schools. Success rates in GCE examinations for Northern Ireland entrants and those in England and Wales can only be compared on the basis of all entrants, including students from further education colleges and those entering privately. The information based on subject entries in the summer 1984 examinations is as follows:

	Northern Ireland	*England*	*Wales*
GCE O-Level			
Percentage achieving grades A-C	63·0	57·2	51·3
GCE A-Level			
Percentage achieving grades A-E	74·2	69·8	71·7

Dublin (Ministerial Visit)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland what was the purpose, and what was the result, of the visit to Dublin, of the Parliamentary Under-Secretary of State the hon. Member for Chelsea (Mr. Scott).

Mr. Tom King: My hon. Friend the Member for Chelsea (Mr. Scott), who has day-to-day responsibility for security matters, visited Dublin on 13 June to meet the Irish Minister for Justice and discuss matters of mutual interest.

Higher Education

Lord James Douglas-Hamilton asked the Secretary of State for Northern Ireland (1) what percentage of those Northern Irish students who go on to higher education go to university;

(2) if he will publish a table showing the percentage of Northern Irish students at universities in the United Kingdom who go to universities in *(a)* Northern Ireland, *(b)* Scotland, *(c)* England and *(d)* Wales;

(3) what percentage of those Northern Irish students who go on to higher and further education go to Universities.

Dr. Mawhinney [*pursuant to his reply*, 17 June 1986]: The information is as follows:

80·2 per cent.

Northern Ireland—74·2 per cent.; information is not available for Scotland, England and Wales separately.

33·0 per cent.

HOUSE OF COMMONS

Palace of Westminster (Tours)

Mr. Pawsey asked the Lord Privy Seal if he has any plans to change existing arrangements for the admission of the public for tours of the Palace of Westminster, in view of the number of people waiting outside without shelter for such tours; and if he will make a statement.

Mr. Biffen: Arrangements for Members' parties on the line of route have been considered recently by the Accommodation and Administration Sub-Committee of the Services Committee. To help relieve the congestion caused by the large number of visitors arrangements have been made for the Norman Porch entrance to be opened at 9.30 am instead of 10 am and the special permit system has been extended to cover all sitting days throughout the year. If my hon. Friend has any particular points to raise I suggest that in the first instance he should write to the Serjeant at Arms.

TRADE AND INDUSTRY

Film Releasing (Experiment)

Mr. Arnold asked the Secretary of State for Trade and Industry what assessment he has made of the Manchester and Glasgow experiment in film releasing; and if he will make a statement.

Mr. Pattie: The Manchester and Glasgow experiment in film releasing ended on 29 May. The experiment was conducted by the Office of Fair Trading at the request of my hon. Friend the then Parliamentary Under-Secretary of State who is responsible for corporate and consumer affairs. The Director General of Fair Trading has been asked to report on the results of the experiment as soon as possible.

Post Office

Mr. D. E. Thomas asked the Secretary of State for Trade and Industry how many post offices have been downgraded in Wales in each year since 1979; and how many fewer people work at those offices now than before their downgrading.

Mr. Pattie: This is a matter for the Post Office Board. However, the board has informed me that the numbers of Crown post offices in Wales downgraded to sub-post office status in each year since 1979 and the number of staff employed before downgrading and on 18 June 1986 are as follows:

	Number of Offices Downgraded	*Staff* *Before Downgrading*	*As at 18 June 1986*
1979	1	5	3
1980	0	—	—
1981	0	—	—
1982	1	2	4
1983	0	—	—
1984	3	9	7
1985	0	—	—
1986*	0	—	—

* to 18 June

Notes:

1. All staff at Crown Offices are Post Office employees. When the offices were downgraded, the staff were transferred to other duties within the Post Office. Sub-postmasters are not employees of the Post Office but work on an agency basis. They employ and pay assistants as required.
2. The figures for staff as at 18 June 1986 include the sub-postmaster.

Asbestos

Dame Judith Hart asked the Secretary of State for Trade and Industry how many BSI standards still specify the use of asbestos.

Mr. Pattie: The BSI is currently unable to quantify the number of standards specifying the use of asbestos. However, I understand that it proposes to commission an audit of British standards with a view to identifying and eliminating references to asbestos where practicable.

Patent Office

Mr. Gould asked the Secretary of State for Trade and Industry if, in setting targets for the board of management of the Patent Office, he intends to *(a)* apply cash limits to the office, or *(b)* to limit the freedom of the office to raise fees and charges.

Mr. Pattie: As announced in a written reply on 13 January the aims behind the decision to change the status of the Patent Office to that of a statutory non-departmental body included those of freeing it from the traditional civil service framework and ensuring that it should be self-supporting from fees, and free to finance investment programmes. Legislative proposals for the office including financial provisions will be laid before Parliament. The details of the future financial arrangements including the type of targets to be set are still under consideration.

British Steel Corporation (Cleveland)

Mr. Clay asked the Secretary of State for Trade and Industry how many people were employed by the British Steel Corporation in Cleveland for each year since 1979.

Mr. Peter Morrison Separate manpower figures for Cleveland are not readily available. I have asked the Corporation to provide me with the necessary information and I will write to the hon. Member as soon as possible.

Steel Workers (Schemes)

Mr. Barron asked the Secretary of State for Trade and Industry (1) what the cost has been for each of the iron and steel European re-adaption benefits scheme employment and income security agreement schemes for each year since their inception in real terms and in comparative terms using 1985 as a base year;

(2) how many redundant steel workers were retrained under the iron and steel European readaptation benefits scheme employment and income security agreement schemes in each year since their inception.

Mr. Peter Morrison: I shall write to the hon. Member as soon as possible.

British Shipbuilders (Cleveland)

Mr. Clay asked the Secretary of State for Trade and Industry how many people were employed by British Shipbuilders in Cleveland for each year since 1979.

Mr. Peter Morrison: The information is as follows:

	Number
March 1979	2,756
March 1980	2,405
March 1981	2,127
March 1982	2,118
March 1983	1,925
March 1984	1,625
March 1985	1,420
March 1986	1,478

Al Fayed Investment and Trust (UK) plc and House of Fraser plc

Mr. Sedgemore asked the Secretary of State for Trade and Industry what action he intends to take following receipt of a solicitor's letter dated 16 June together with an accompanying memorandum and other documents relating to the merger between Al Fayed Investment and Trust (UK) plc and House of Fraser plc; and if he will make a statement.

Mr. Peter Morrison: As he is bound to do my right hon. Friend is considering carefully the representations made by Stephenson Harwood on behalf of Lonrho.

Departmental Advisory Services

Mr. Bellingham asked the Secretary of State for Trade and Industry if he will make a statement about problems caused by the high level of demand for his Department's business technical advisory services.

Mr. Butcher [*pursuant to his reply*, 16 June 1986, c. *373*]: The assistance for manufacturing, design and quality assurance consultancy projects offered under the business and technical advisory services has proved a popular and successful element in the Department's support programme. The budget for these services has increased fourfold since 1982 and in 1986-87 is £20 million.

The widening of the eligibility criteria in 1985 to include the very smallest firms and the extension of the assistance to the service sector has led to a substantial increase in demand for the services. The Government remain determined to contain public expenditure and are not, therefore, prepared to increase the budget to satisfy in full this demand. However, I am pleased to announce that a further £2·5 million will be added for 1986-87, increasing the budget to £22·5 million. This additional funding will help ease the present problem of excess demand: it will not solve it entirely. Having taken the advice of my Department's technology transfer advisory services committee, I am therefore introducing the following additional measures to bring demand and supply into better balance and concentrate the assistance on projects likely to prove most worthwhile:

a) to qualify for assistance, consultancy projects must form part of a sound business plan. The benefits expected from the consultancy should be quantifiable, realisable quickly and lead to an increase in international competitiveness;

b) applicants will be entitled to only one consultancy project within each of the three elements of the services. No project should be of less than eight man-days' duration;

c) eligibility will be restricted to independent firms or groups with 1-500 employees;

d) the contribution from the applicant will be increased from 25 per cent. to 33⅓ per cent.

Applications for assistance already under consideration will be dealt with under the existing terms and conditions. From today new applications will be subject to the above terms and conditions.

PRIME MINISTER

International Atomic Energy Agency

19. **Mr. McCrindle** asked the Prime Minister what is Her Majesty's Government's policy towards the expansion of the role of the International Atomic Energy Agency in nuclear safety investigations.

The Prime Minister: The International Atomic Energy Agency is already able to provide assistance to national authorities in assessing safety at nuclear facilities, on request, through its operational safety review teams. The draft programme of increased agency work on nuclear safety prepared by the agency's secretariat envisages an expansion of the activities of these teams. This will be further considered at the agency's general conference in September. The United Kingdom accepts the principle of this proposal.

North Yorkshire

37. **Mr. Gregory** asked the Prime Minister if she has any plans to make an official visit to North Yorkshire.

The Prime Minister: I have at present no plans to do so.

F111 Aircraft

68. **Mr. Dalyell** asked the Prime Minister pursuant to her answer of 3 June, *Official Report*, column *731*, to her hon. Member for Linlithgow, if she will now name the American sources from which she received the advice that F111 aircraft were more precise and less likely to cause collateral damage and civilian casualties than carrier-based aircraft in the context of the American attack on Libya; and if she will make a statement.

The Prime Minister: I have nothing further to add to my statement in the House on 15 April and my speech in the debate on 16 April.

Kenilworth

77. **Mr. Pawsey** asked the Prime Minister if she has any plans to visit Kenilworth during the course of the current year.

The Prime Minister: I have at present no plans to do so.

Hippy Convoy (Hampshire)

Q117. **Sir David Price** asked the Prime Minister if she will make it the policy of Her Majesty's Government to allocate extra funds to the Hampshire county council and to the Hampshire police authority to cover additional expenditure incurred in connection with the presence in the New Forest of the hippy convoy; and if she will make a statement.

The Prime Minister: No. The nature and scale of the additional demands arising from the presence of the convoy were not such as to justify changing the normal funding arrangements, under which more than half of policing costs are met by central funding through police grant.

Offshore Oil-related Industry

Q119. **Mr. Kennedy** asked the Prime Minister what is her assessment of the effect of lower oil prices on an onshore oil-related industry; and if she will make a statement.

The Prime Minister: Although some short-term reduction in the volume of business available to the onshore based oil-related industry supplying goods and services to the offshore industry is likely to result from lower oil prices, the Department of Energy has approved 10 new projects so far this year which will provide substantial opportunities for the offshore supplies industry. Current expenditure on supplying, maintaining and operating existing oil and gas fields is running at over £6 million per day and a continued high level of activity is expected.

Engagements

Mr. Stern asked the Prime Minister if she will list her official engagements for Thursday 19 June.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. I also attended a memorial meeting for the late Lord Shinwell. In addition to my duties in this House I shall be having further meetings later today.

Asbestos

Mr. Parry asked the Prime Minister if she is satisfied with the co-ordination and implementation of Her Majesty's Government's policy on the control of asbestos.

The Prime Minister: Yes. There is close liaison at official level between the Health and Safety Commission, the Department of the Environment and the Department of Trade and Industry's consumer safety unit.

Mr. Raoul Wallenberg

Mr. Campbell asked the Prime Minister if she will list the occasions during each of the last seven years, when she has raised the case of Mr. Raoul Wallenberg with the Government of the Union of Soviet Socialist Republics; what response has been received; if she has any plans to make further representations; and if she will make a statement.

The Prime Minister: The case of Raoul Wallenberg has been raised with the Soviet authorities on several occasions in recent years: by the then Minister of State, Foreign and Commonwealth Office, my right hon. and learned Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) with the Soviet Deputy Foreign Minister in 1983, 1984 and 1985, and by the British delegation to the Ottawa human rights meeting in May 1985. We will continue to assist the Swedish Government in any way which may be appropriate in their efforts to establish with greater clarity the fate of Mr. Wallenberg.

La Belle Discotheque, Berlin (Bombing)

Mr. Dalyell asked the Prime Minister, pursuant to her answer to the hon. Member for Linlithgow, *Official*

Report, column *287*, 12 June, whether she has evidence that countries other than Libya were involved in the bombing of La Belle discotheque in Berlin on 5 April.

The Prime Minister: The only firm evidence that we have is of Libyan involvement.

Minister for Information Technology (Speech)

Mr. Winnick asked the Prime Minister whether the speech by the Minister for Information Technology the hon. Member for Chertsey and Walton (Mr. Pattie) to the annual dinner of Rank Xerox on 16 June, in so far as it related to council housing, represents Government policy; and if she will make a statement.

Mr. Patchett asked the Prime Minister whether the speech by the hon. Member for Chertsey and Walton (Mr. Pattie) to the annual dinner of Rank Xerox on 16 June, in so far as it related to council housing, represents the policy of Her Majesty's Government; and if she will make a statement.

The Prime Minister: The principal aim of the Government's housing policy is to encourage home ownership and nearly 960,000 council homes have been sold to their tenants since we came into office. We recognise that local authority housing continues to have an important role to play, particularly in catering for those whose needs cannot be met in the private sector. We have encouraged local authorities to improve the management of their housing, with particular emphasis on the development of partnership with the private sector. We have enabled the renovation of more than half a million council houses, considerably more than under the previous Government. We have also launched the urban housing renewal unit to seek ways of improving the quality of life in rundown council estates.

WALES

Trawsfynydd (Radiation Levels)

Mr. Wigley asked the Secretary of State for Wales, pursuant to his answer of 23 May, *Official Report*, column *350*, on radiation levels at Trawsfynydd immediately following the Chernobyl disaster, if he will now publish the level of iodine 131 at Trawsfynydd for the days between the Chernobyl disater and 3 May; and what was the highest daily level of iodine 131 detected at Trawsfynydd during the 12-month period prior to the Chernobyl disaster; and if he will arrange for such information to be publicly available on a routine basis.

Mr. Mark Robinson: The first date for which rainwater was sampled at Trawsfynydd following the Chernobyl accident was 3 May.

Monitoring of radioactivity in rainfall does not form part of the environmental monitoring programme which nulcear power stations are required to undertake under their terms of authorisation. However, Trawsfynydd nuclear power station does analyse bulk samples of rainwater on a monthly basis, and no iodine 131 was detected in the 12-month period up to 3 May.

The Department now publishes an "Environmental Digest for Wales", which includes data on raidoactivity levels near Trawsfynydd. A copy of the digest is in the Library of the House.

Hospitals (Performance Monitoring)

Mr. Gwilym Jones asked the Secretary of State for Wales what monitoring of the effectiveness of comparable hospitals in Wales is carried out.

Mr. Mark Robinson: The directorate for the NHS in Wales regularly reviews district health authority performance. These reviews include comparison between hospitals based on published data.

The data used for comparison includes the annual booklet "Key Statistical Indicators for National Health Service Management in Wales", Welsh costing returns and hospital waiting list bulletins.

Individual district health authorities also carry out their own comparisons using both published data and management information.

NHS (Private Practice)

Mr. Gwilym Jones asked the Secretary of State for Wales when he instructed all health authorities in Wales that subject to clinical considerations, earlier private consultation should not lead to earlier National Health Service admission or to earlier access to National Health Service procedures; and if he is satisfied that all health authorities in Wales are now acting accordingly.

Mr. Mark Robinson: This guidance was first issued to health authorities in Wales in December 1980. Authorities have since been reminded regularly of this principle, which is repeated in the consolidated advice contained in the handbook on the management of private practice in NHS hospitals issued in March this year.

School Leavers (Unemployment Benefit)

Mr. Gwilym Jones asked the Secretary of State for Wales what were the numbers of school leavers claiming unemployment benefit in the peak months of each of 1983, 1984 and 1985; and if he will make a statement.

Mr. Nicholas Edwards: Published figures for unemployed school leavers normally relate to those under the age of 18. In all three years the peak occurred in September. The figures are as follows:

	Number
1983	14,719
1984	12,028
1985	11,327

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Wales how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Nicholas Edwards: The information requested is as follows:

Session	*Ministers*	*Officials*
1983-84	1	6
1984-85	1	19

Education Expenditure

Dr. Marek asked the Secretary of State for Wales how much local authorities in Wales spent on education in 1980-81 and in the last year for which the information is available; and how these figures compare in real terms.

Mr. Nicholas Edwards: Local authority net expenditure on education for the years 1980-81 and 1984-85 (the latest for which outturn expenditure information is available) was as follows:

£ million	
1980-81	1984-85
541·4	689·3

Expressed in real terms using the GDP deflator the figures are as follows:

1980-81	*1984-85*
694·3	689·3

Health Authorities (Staff)

Mr. Barry Jones asked the Secretary of State for Wales if he will give for each Welsh health authority for each year since 1980 the number of *(a)* medical staff, *(b)* nursing staff, and *(c)* ancillary staff, expressing these figures in terms of actual numbers of employees and in whole-time equivalent figures; and if he will also give these figures adjusted to account for the change in the working week.

Mr. Mark Robinson: Available information relates to 30 September each year, and is given in the following table. There are no changes in the working week during the period covered by the table, and therefore no adjustments are necessary to the whole-time equivalent figures.

	Medical staff		*Nursing staff*		*Ancillary staff*	
	Number	*Whole-time equivalent*	*Number*	*Whole-time equivalent*	*Number*	*Whole-time equivalent*
1980						
Clwyd	248	231	3,645	3,231	1,715	1,412
Dyfed	236	210	2,860	2,478	1,456	1,200
Gwent	305	294	4,746	3,964	2,681	2,072
Gwynedd	160	130	2,029	1,809	1,011	807
Mid Glamorgan	370	335	5,426	4,604	2,916	2,262
Powys	83	25	1,265	1,041	537	417
South Glamorgan	608	555	5,360	4,387	2,955	2,323
West Glamorgan	286	264	3,363	2,852	1,885	1,477
1981						
Clwyd	268	243	3,854	3,427	1,688	1,383
Dyfed	248	214	2,928	2,507	1,437	1,176
Gwent	313	305	4,893	4,061	2,621	2,019
Gwynedd	173	134	2,145	1,918	1,013	795
Mid Glamorgan	376	342	5,665	4,834	2,917	2,255
Powys	87	24	1,207	1,014	534	412
South Glamorgan	673	579	5,424	4,523	2,934	2,285
West Glamorgan	291	273	3,615	3,078	1,931	1,496
1982						
Clwyd	275	253	3,921	3,503	1,678	1,383
East Dyfed	200	166	2,303	1,966	1,096	917
Pembrokeshire	67	59	756	631	324	259
Gwent	324	308	4,990	4,141	2,642	1,978
Gwynedd	173	137	2,130	1,890	1,016	794
Mid Glamorgan	383	345	5,740	4,918	2,966	2,272
Powys	84	25	1,318	1,092	529	410
South Glamorgan	684	588	5,467	4,607	2,942	2,266
West Glamorgan	295	275	3,721	3,161	1,940	1,486
1983						
Clwyd	287	259	3,908	3,498	1,656	1,350
East Dyfed	197	169	2,390	2,042	1,095	919
Pembrokeshire	75	62	742	615	323	243
Gwent	324	310	5,072	4,221	2,565	1,927
Gwynedd	176	138	2,085	1,862	985	775
Mid Glamorgan	382	347	5,710	4,904	2,948	2,241
Powys	84	25	1,371	1,149	536	418
South Glamorgan	703	593	5,303	4,490	2,888	2,224
West Glamorgan	296	276	3,747	3,200	1,899	1,444
1984						
Clwyd	277	262	3,943	3,528	1,597	1,289
East Dyfed	211	175	2,453	2,106	1,023	849
Pembrokeshire	72	61	768	640	322	232
Gwent	330	314	5,152	4,312	2,430	1,790
Gwynedd	186	148	2,170	1,946	1,051	823
Mid Glamorgan	391	354	5,847	5,032	2,842	2,147
Powys	87	26	1,331	1,121	519	395
South Glamorgan	678	596	5,354	4,565	2,706	2,076
West Glamorgan	302	282	3,738	3,198	1,799	1,351

	Medical staff		Nursing staff		Ancillary staff	
	Number	Whole-time equivalent	Number	Whole-time equivalent	Number	Whole-time equivalent
1985						
Clwyd	289	266	4,060	3,618	1,586	1,261
East Dyfed	214	179	2,422	2,081	1,009	813
Pembrokeshire	80	68	792	661	297	205
Gwent	326	315	5,231	4,351	2,359	1,703
Gwynedd	185	148	2,336	2,092	1,095	835
Mid Glamorgan	397	359	5,926	5,127	2,786	2,088
Powys	91	27	1,346	1,127	499	373
South Glamorgan	720	606	5,461	4,640	2,666	2,035
West Glamorgan	314	297	3,877	3,317	1,909	1,432

Gynaecological Treatment

Mr. Barry Jones asked the Secretary of State for Wales how many of the women awaiting in-patient gynaecological treatment in Wales are infertility cases; and if he will make a statement.

Mr. Mark Robinson: This information is not available centrally.

Health Authorities (Expenditure)

Mr. Barry Jones asked the Secretary of State for Wales if he will give for each Welsh health authority the percentage change in expenditure since 1979 expressed in *(a)* cash terms, *(b)* deflated by the gross domestic product deflator and *(c)* deflated by the National Health Service deflator; and if he will make a statement.

Mr. Mark Robinson: The percentage increase in total health authority expenditure between 1979-80 and 1984-85 in cash terms and deflated by the GDP deflator was as follows:

Health authority	Increase in cash terms	Increase deflated by GDP deflator
	percentage	percentage
Clwyd	83·2	19·9
East Dyfed-Pembrokeshire*	85·6	21·5
Gwent	75·6	14·9
Gwynedd	92·3	25·8
Mid Glamorgan	75·1	14·6
Powys	76·9	15·7
South Glamorgan	72·6	12·9
West Glamorgan	80·9	18·4
Total	78·7	16·9

Note: Actual expenditure details for 1985-86 are not yet available.
* East Dyfed and Pembrokeshire health authority were set up on 1 April 1982; consequently the expenditure for those two authorities since 1982-83 have been combined for comparison purposes.

It is inappropriate and misleading to revalue expenditure of individual health authorities by reference to the national NHS indices of pay and prices because of the composition of the individual authorities' expenditure can vary substantially from the national average.

Housing

Mr. Barry Jones asked the Secretary of State for Wales how many people are awaiting accommodation on Welsh council house waiting lists at the latest date for which figures are available; what special measures he is considering to solve the waiting list problems; and if he will make a statement.

Mr. Mark Robinson: Information on local authority waiting lists for housing is not held centrally.

Mr. Barry Jones asked the Secretary of State for Wales how how much money is currently held back from use in Wales through housing capital receipts limitations; and if he will make a statement.

Mr. Mark Robinson: No money is currently held back from use in Wales through housing capital receipts limitations. Authorities are free to use the cash from the sale of assets as they wish, the main ways being to redeem debt or to finance expenditure directly, in lieu of borrowing.

Authorities are also able to use a prescribed proportion of the value of their accumulated receipts to increase their spending power each year. At the start of 1985-86 accumulated housing receipts are estimated to have been £218 million. About £45 million of this was available to authorities to increase their spending power in 1985-86 together with a further £13 million of receipts received during the year. Although many local authorities have not made full use of this spending power, any unused balance is available to increase spending power in future years.

Mr. Barry Jones asked the Secretary of State for Wales how many council houses have been sold in Wales since first being made available for purchase.

Mr. Mark Robinson: 60,748 council dwellings have been sold since 1967; comparable information for earlier years is not readily available.

Mr. Barry Jones asked the Secretary of State for Wales what has been the capital expenditure on housing in Wales each year *(a)* in cash terms and *(b)* in real terms from 1979-80 to 1986-87, inclusive.

Mr. Mark Robinson: Totals for gross capital expenditure on housing in Wales in the period 1979-80 to 1986-87 are given in the following table:

	Cash terms	£million real terms (1984-85 prices)
1979-80*	152·7	232·2
1980-81*	145·5	186·3
1981-82*	131·6	153·2
1982-83*	191·9	208·7
1983-84*	268·6	279·7

	Cash terms	£million real terms (1984-85 prices)
1984-85*	217·2	217·2
1985-86†	187·0	176·4
1986-87‡	201·1	182·9

* Outturn.
† Provisional outturn.
‡ Provision.

Mr. Barry Jones asked the Secretary of State for Wales if he will give for each Welsh health authority for each year since 1980 (*a*) the total joint finance expenditure and (*b*) the total overspend or underspend for joint finance; and if he will make a statement.

Mr. Mark Robinson: The total joint finance expenditure by each health authority, including any Welsh Office central contribution, is set out in the table. Any underspending or overspending on schemes is a matter for the management of individual health authorities, and this information is not held centrally.

District Health Authority	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85**
Clwyd	19,552	20,457	22,393	67,232	94,283
East Dyfed†	114,620	33,579	56,400	115,747	163,055
Pembrokeshire†			72,617	89,299	156,501
Gwent	30,205	48,970	77,013	104,112	303,106
Gwynedd	23,057	37,890	60,801		109,000
Mid Glamorgan	77,461	84,671	163,007	56,206	67,822
Powys	8,100		44,922	50,676	124,662
South Glamorgan	155,624	342,294	544,283	704,796	463,051
West Glamorgan	55,017	81,080	45,924	37,119	141,925
Wales	483,636	648,941	1,087,360	1,225,187	1,623,405

Source: Annual accounts of district health authorities.
* 1984-85 is the latest year for which accounts are available.
† Prior to 1982 East Dyfed and Pembrokeshire were combined under the Dyfed health authority.

Unfit Houses

Mr. Barry Jones asked the Secretary of State for Wales if he will estimate the number of houses classified by his Department as unfit, at the latest date for which such information is available; if he proposes to increase his financial allocations to housing authorities in Wales; and if he will make a statement.

Mr. Mark Robinson: In the 1981 Welsh house condition survey, 90,900 houses in Wales were classed as unfit (this figure excludes second homes). The 1986 survey is currently under way. It is the most comprehensive survey ever undertaken in Wales and it is hoped that the results will be published at the end of 1987.

Housing capital allocations to Welsh local authorities for 1986-87 have been increased by nearly 30 per cent. over 1985-86.

Cardiff Harbour Mouth Barrage

Mr. Terlezki asked the Secretary of State for Wales if he has received the consultants' report on the Cardiff harbour mouth barrage; and if he will make a statement.

Mr. Nicholas Edwards: I have received the reports on the preliminary studies into the feasibility of building a barrage across the Cardiff harbour mouth and of the investment potential in the south Cardiff area. Copies of these reports have been placed in the Library of the House together with a summary of their conclusions.

The reports are encouraging and suggest that the construction of a barrage at an estimated cost of about £45 million would be technically feasible and would be likely to create significant new development opportunities in the Cardiff waterfront area and beyond. The reports recommend further confirmatory studies before any decision to proceed wih the building of a barrage is taken.

I accept these conclusions and intend to commission further work on engineering aspects, conservation, and investment potential.

I understand that this further work can be undertaken by the autumn of this year. In the meantime, I intend to consult all interested parties about the content of these reports.

DEFENCE

Community Programme

Mr. Thurnham asked the Secretary of State for Defence if he will report on the latest proposals for opportunities on the community programme provided by his Department.

Mr. Lee: I shall write to my hon. Friend.

RAF Exercise (Carnoch Glen)

Mr. Chris Smith asked the Secretary of State for Defence what was the purpose of the expedition mounted by seven RAF aircraft over the Carnoch Glen in Knoydart, north-west Scotland, on the afternoon of Wednesday, 28 May; what was the cost to the public purse of this expedition; whether any speed or noise limitations are placed upon aircraft taking part in such exercises; and if he will make a statement.

Mr. Freeman: It has not been possible from the information provided to identify the aircraft. There were, however, no special exercises involving low-flying military aircraft in north-west Scotland during the afternoon of 28 May, and it is probable that the aircraft were engaged in routine day-to-day low-flying training, the cost of which is contained in the training budget. Routine low-flying rules restrict aircraft to no faster than 450 knots, with a minimum height of normally no lower than 250 ft.

Service Personnel (School Visit)

Mr. Lawler asked the Secretary of State for Defence how many service personnel are currently involved in information visits to schools; and if he will make a statement.

Mr. Freeman: 144 service personnel are employed in presentation teams and as school and college liaison officers.

Members of the careers information offices field force staff of all three services also from time to time visit schools as part of their more general responsibilities.

Trident

Mrs. Clwyd asked the Secretary of State for Defence if he is satisfied with the progress of the research and development programme for the British Trident nuclear warhead; and when he expects development of that warhead to be completed.

Mr. Lee: I refer the hon. Member to the answer given by my right hon. Friend the then Minister of State for Defence Procurement to the hon. Member for Edinburgh, East (Mr. Strang) on 11 February 1986, at column 442.

Lucas Aerospace

Mr. Robert B. Jones asked the Secretary of State for Defence whether he will *(a)* list the value and nature of contracts above £1,000 in value awarded to Lucas Aerospace since June 1983 and *(b)* indicate which ones include work for Lucas Aerospace's Hemel Hempstead factory.

Mr. Lee: It is not the practice of the Ministry to reveal details of contracts placed with individual contractors as this information is commercial in confidence. However, the overall value of contracts placed with Lucas Aerospace in the financial years 1983-84, 1984-85, and 1985-86 was approximately £115 million.

The distribution of work within the Lucas Aerospace organisation is a matter for that company.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Defence how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Younger: The number of Ministers and officials from my Department who gave evidence to Commons Select Committees in the 1983-84 Session was three and 82 respectively. The corresponding figures for the 1984-85 Session were two and 63. In both Sessions a number of witnesses gave evidence on more than one occasion and the figures for official witnesses include members of the armed forces.

Weapons Systems

Mr. Soames asked the Secretary of State for Defence how many new weapons systems have been ordered by Her Majesty's Government since 1970; how many of these were or are more than one year, and more than three years, respectively, late in entering operational service when compared with the original target date; and what were the specific reasons in each case.

Mr. Lee: The information requested is very extensive and cannot be provided except at disproportionate cost and effort, and much of it is classified.

However, detailed information of this nature is made available to the Public Accounts and Defence Select Committees.

SP70 Howitzer

Mr. Soames asked the Secretary of State for Defence when the SP70 155 mm howitzer will enter service; how many are being ordered; and when the first orders were placed.

Mr. Freeman: On present plans SP70 should enter service in the early 1990s, although a trinational review of the development programme is currently taking place which may affect the way ahead on the programme. No production orders have yet been placed. It is not the practice to disclose details of potential orders of defence equipment.

Mr. Soames asked the Secretary of State for Defence what was the date of the commencement of phase A of the SP70 155 mm howitzer project.

Mr. Lee: November 1973.

LAW 80 Anti-tank System

Mr. Soames asked the Secretary of State for Defence if he will make a statement on the contractual and management difficulties connected with the LAW 80 anti-tank system; and what lessons his Department have learned from them.

Mr. Lee: Details of the arrangements between the Ministry of Defence and its contractors and their subcontractors are matters of commercial confidence. The need to increase performance during the course of development as a result of an increased threat proved more difficult than expected.

NATIONAL FINANCE

Job Creation (Public Expenditure and Taxation)

4. **Mr. Kilroy-Silk** asked the Chancellor of the Exchequer what recent research has been conducted by the Treasury into the respective effects on unemployment of increases in public expenditure and tax cuts.

Mr. Brooke: Lower taxes create the conditions for a sustained increase in employment by improving the rewards to effort and enterprise. Lasting jobs cannot be bought by higher public spending.

Tourism

6. **Mr. Wallace** asked the Chancellor of the Exchequer if he will make a statement on the effect of the lack of American tourists on Government revenue for 1986.

Mr. Brooke: It is too soon to assess the extent of any reduction in the numbers of American tourists and the consequences for Government revenue.

Personal Equity Plans

8. **Mr. Charles Wardle** asked the Chancellor of the Exchequer what increase in the number of individual investors in industry he anticipates as a result of the proposed personal equity plans.

Mr. Lawson: I would expect a large number of people to take advantage of this important new incentive.

33. **Mr. Michael Brown** asked the Chancellor of the Exchequer what representations he has received on the Budget proposals for private equity plans.

50. **Mr. Coombs** asked the Chancellor of the Exchequer what the response has so far been to his proposal for personal equity plan.

Mr. Norman Lamont: I refer my hon. Friend to the answer my right hon. Friend the Chancellor gave on 15 May 1986, at columns *840-41*, to my hon. Friend the Member for Kettering (Mr. Freeman).

Privatisation

9. **Mr. Thurnham** asked the Chancellor of the Exchequer what is the latest estimate of the expected value accruing to the Exchequer from the sale of assets by *(a)* the National Health Service and *(b)* the nationalised industries during 1986-87.

Mr. Norman Lamont: The value of sales of assets in 1986-87 by the National Health Service and the nationalised industries is estimated at £130 million and £184 million, respectively.

45. **Mr. O'Brien** asked the Chancellor of the Exchequer what is his latest estimate of the sums to be raised in the next year from the future privatisation of public assets.

Mr. Norman Lamont: I refer the hon. Member to the reply my predecessor gave to the hon. Member for Liverpool, Mossley Hill (Mr. Alton) on 8 April 1986 at column *98*.

Job Creation (Public Expenditure)

15. **Mr. Terry Lewis** asked the Chancellor of the Exchequer if he has made any recent study of the effects of public expenditure on job creation.

Mr. Brooke: The effective control of public expenditure is essential if the economy if to perform better to generate lasting jobs.

37. **Mr. Barron** asked the Chancellor of the Exchequer if he has made a study of the effects of public capital expenditure on employment.

Mr. MacGregor: There are considerable limitations to any estimates of the effects of public capital spending on employment. Such estimates depend on the definitions and assumptions used, as well as the time scale chosen.

Public Expenditure

18. **Mr. Conway** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money in public expenditure.

34. **Sir Fergus Montgomery** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money from public expenditure.

54. **Mr. William Powell** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money from public expenditure.

56. **Mr. Powley** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money in public expenditure.

22. **Mr. Galley** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money in public expenditure.

23. **Dr. Twinn** asked the Chancellor of the Exchequer whether he has plans to increase the value for money obtained from existing levels of public expenditure.

24. **Mr. Patrick Thompson** asked the Chancellor of the Exchequer what steps he is taking to obtain better value for money from public expenditure.

Mr. MacGregor: In the annual review of public spending we are looking not just at the money spent but at what is being achieved with the money; we are using reviews and scrutinies to look in depth at particular areas; and Departments are improving their financial management. The last public expenditure White Paper listed over 1,200 output measures and performance indicators, which show the attention and priority we are giving to this critical aspect of public spending policy.

38. **Mr. Portillo** asked the Chancellor of the Exchequer what information he has about the proportion of gross domestic product taken by public expenditure in the United States of America and Japan; and what is the comparable figure for the United Kingdom.

Mr. MacGregor: International comparisons of public expenditure should be treated with caution because of differences in the composition of expenditure and in governmental organisation. Such comparisons are available only in terms of the OECD statistic "total outlays of Government". This definition is similar to that of general Government expenditure used in the public expenditure White Paper but excludes net lending, includes debt write-offs by general Government and makes adjustment for expenditure on sick pay and unfunded pension schemes.

On this basis, the latest figures are:

*Total outlays of government as percentage of GDP**

	1981	*1982*	*1983*	*1984*
United Kingdom	47·8	47·3	47·3	48·0
United States of America	35·2	37·7	38·1	n/a
Japan	34·1	33·6	34·3	33·1

* At market prices.

Source: Table R8, *OECD Economic Outlook*, May 1986.

40. **Mr. Leigh** asked the Chancellor of the Exchequer what means he uses to measure value for money obtained from public expenditure.

52. **Mr. Marlow** asked the Chancellor of the Exchequer what means he uses to measure value for money obtained from public expenditure.

51. **Mr. Neil Hamilton** asked the Chancellor of the Exchequer what estimate he has of the potential for increased value for money in public spending programmes.

Mr. MacGregor: I refer my hon. Friends to the reply I gave earlier today to my hon. Friend the Member for Stafford (Mr. Cash).

43. **Mr. Robert B. Jones** asked the Chancellor of the Exchequer if he has any plans to improve audit arrangements in the public sector so as to indentify more fully opportunities for increasing value for money from public expenditure programmes.

Mr. MacGregor: My Department supports and follows up the Comptroller and Auditor General's value for money examinations under the National Audit Act 1983, and the work of the Audit Commission and the Monopolies and Mergers Commission in relation to local authorities and the nationalised industries respectively. In the field of internal audit, much has been done in recent years to improve its quality and ability to support management in getting better value for money. It is the purpose of the Treasury's internal audit development division to promote best practice in Government Departments and this work is continuing.

44. **Mr. Fisher** asked the Chancellor of the Exchequer if there are any plans to increase public expenditure above the levels set out in the last public expenditure White Paper.

Mr. MacGregor: I refer the hon. Member to the reply I gave earlier today to the hon. Member for Walsall, North (Mr. Winnick).

Business Expansion Scheme

19. **Mr. Simon Hughes** asked the Chancellor of the Exchequer if he will give the amount raised by the business expansion scheme since its initiation.

Mr. Norman Lamont: £105 million was invested under the scheme in the first year, and latest figures show at least £147 million was invested in 1984-85. It is too early to say how much was invested last year, but we expect a further increase.

25. **Mr. Freud** asked the Chancellor of the Exchequer what proportion of the money raised by the business expansion scheme went to manufacturing companies for the last date for which figures are available.

Mr. Norman Lamont: Almost 28 per cent. of investment was in manufacturing in the first two years.

Value Added Tax

20. **Mr. Nicholas Brown** asked the Chancellor of the Exchequer what representations he has received concerning the implementation of the legislation on value added tax penalties in the Finance Act 1985.

Mr. Brooke: The Keith committee recommendations concerning value added tax were the subject of two consultative exercises, the second involving the publication of exposure clauses. A large number of responses were received and some further representations have been made since Royal Assent last year.

TUC (Economic Activity)

21. **Mr. Nellist** asked the Chancellor of the Exchequer when he next intends to meet leaders of the Trades Union Congress to discuss the current level of economic activity.

Mr. Lawson: I will next meet leaders of the Trades Union Congress at the National Economic Development Council on Wednesday 9 July.

Inflation

26. **Mrs. Currie** asked the Chancellor of the Exchequer what level he expects inflation to be by the end of the current year; and what were the rates of inflation at the end of 1975, 1976, 1977 and 1978, respectively.

Mr. Brooke: The latest forecast for inflation was given in the Budget statement and produced a figure of 3½ per cent. for 1986. The rates in the fourth quarters of 1975, 1976, 1977 and 1978 were 25·3 per cent., 14·9 per cent., 13·1 per cent. and 8·1 per cent., respectively.

Mr. Spencer asked the Chancellor of the Exchequer if he will make a statement on his latest estimate for the rate of inflation over the next 12 months.

Mr. Ian Stewart: The next published forecast for inflation is due to appear at the time of the autumn statement.

Occupational Pension Schemes

27. **Mr. Stephen Ross** asked the Chancellor of the Exchequer what recent representations he has received concerning the charges of under funding in occupational pension schemes.

Mr. Norman Lamont: None.

Labour Statistics

28. **Mr. Eastham** asked the Chancellor of the Exchequer how many people were in employment in May 1979 and at the latest available date.

Mr. MacGregor: Figures for total employment are available only for the end month of each quarter. The whole economy employed labour force in Great Britain was 24,775,000 in June 1979 and 24,010,000 in December 1985.

Married Man's Allowance

29. **Mr. Caborn** asked the Chancellor of the Exchequer what representations he has received concerning his proposals to abolish the married man's allowance.

Mr. Norman Lamont: The abolition of the married man's allowance is only one aspect of the possible change to a system of transferable allowances discussed in the Green Paper "The Reform of Personal Taxation" (Cmnd. 9756).

Most of the comments so far received on the Green Paper support transferable allowances. I hope that as many people as possible will let us have their views.

Taxation and Unemployment

30. **Mr. Straw** asked the Chancellor of the Exchequer whether he has made a recent study of the connection between the level of taxation and the level of unemployment.

48. **Mr. Maxton** asked the Chancellor of the Exchequer if he has made a recent study of the effect on unemployment of tax cuts.

Mr. MacGregor: Lower taxes create the conditions for a sustained increase in employment by improving the rewards to effort and enterprise.

Charities

31. **Mr. Dickens** asked the Chancellor of the Exchequer if he will report on the latest representations from charity organisations following the initiatives presented in his last Budget.

39. **Mr. Yeo** asked the Chancellor of the Exchequer what representations he has received from charities regarding the revision of the Finance Bill.

Mr. Norman Lamont: I refer my hon. Friends to the answer my right hon. Friend gave on 4 June to my hon. Friend the Member for Dorset, North (Mr. Baker) on 4 June at columns *559-60*.

41. **Mr. Brandon-Bravo** asked the Chancellor of the Exchequer what representations he has received on the Budget proposal to encourage payroll giving to charities.

Mr. Norman Lamont: A number of representations have been received and the Inland Revenue will shortly be issuing a document giving details of how the scheme will work.

Pound Sterling

32. **Mr. Ron Brown** asked the Chancellor of the Exchequer what has been the change in the real value of the pound sterling at the latest available date compared with the 1979 figure.

Mr. Ian Stewart: In May 1986 the pound was worth 56 per cent. of its May 1979 value.

CBI (Public Expenditure)

35. **Mr. McCrindle** asked the Chancellor of the Exchequer what recent representations he has received on public expenditure from the Confederation of British Industry.

Mr. MacGregor: Public expenditure matters are mentioned from time to time in the course of contacts between the CBI and Treasury Ministers.

Economic Growth

36. **Mr. Hirst** asked the Chancellor of the Exchequer what is his latest estimate of the expected rate of growth of the economy in 1987.

Mr. MacGregor: The latest forecast published in March in the financial statement and Budget report showed a 2¼ per cent. increase in gross domestic product in real terms over the year to the first half of 1987.

Departmental Staff

42. **Mr. Dalyell** asked the Chancellor of the Exchequer how many civil servants of the rank of principal and above left his Department in each of the years 1983-84, 1984-85 and 1985-86, respectively; for what reasons; and if he will make a statement.

Mr. Brooke: The numbers of civil servants of the rank of principal and equivalent and above leaving the Treasury in each of the years 1983-84, 1984-85 and 1985-86 were 40, 43 and 63, respectively. The reasons for leaving were as follows:

	1983-84	*1984-85*	*1985-86*
Resignations	13	12	19
Retirements	10	6	9
Permanent transfers to other Government Departments	17	25	35
TOTAL	40	43	63

VAT (Safety Clothing and Footwear)

46. **Sir John Farr** asked the Chancellor of the Exchequer what representations he has received seeking the removal of value added tax from industrial safety clothing and footwear; and if he will make a statement.

Mr. Brooke: I replied to a question by my hon. Friend about value added tax on safety clothing and footwear for those engaged in forestry on 10 June at columns *168-69*. That apart, no recent representations have been received on this subject.

Taxation and National Insurance

47. **Mr. Redmond** asked the Chancellor of the Exchequer how the proportion of revenue from income in taxes and national insurance compares to 1979.

Mr. Norman Lamont: In 1985, income tax and national insurance contributions were 42·3 per cent. of central Government current receipts, compared with 46·2 per cent. in 1979.

Mr. Chapman asked the Chancellor of the Exchequer what percentage of his gross wage a single person earning half the average wage pays in income tax and national insurance contributions.

Mr. Norman Lamont: 25·8 per cent. in 1986-87.

Taxpayers (Social Security Benefit)

49. **Mr. Fallon** asked the Chancellor of the Exchequer what estimate he has of the number of standard rate taxpayers in the northern region in receipt of social security benefit.

Mr. Norman Lamont: It is estimated that in 1984-85 there were just over 1 million basic rate taxpayers in the northern region. Of these, about half a million received some form of social security benefit and a quarter of this group drew an income-related benefit.

North Sea (Fiscal Regime)

53. **Mr. Kennedy** asked the Chancellor of the Exchequer what recent representations he has received seeking alterations to the fiscal regime in so far as it affects the North Sea; and if he will make a statement.

Mr. Norman Lamont: Since the Budget, 11 letters have been received seeking alterations to the fiscal regime following the fall in oil prices. These have been studied with interest, but we remain to be convinced that any relaxation is needed to a regime which is already sensitive to oil price movements.

Interest Rates

55. **Mr. Latham** asked the Chancellor of the Exchequer whether he will make a statement on the level of interest rates.

Mr. Ian Stewart: Base rates have been reduced by 2½ per cent. since the Budget.

57. **Mr. Janner** asked the Chancellor of the Exchequer whether he will make a statement on the current level of real interest rates.

58. **Mr. Haynes** asked the Chancellor of the Exchequer if he will make a statement about the level of real interest rates.

Mr. Ian Stewart: Our aim is to maintain, on average, a level of short-term interest rates that will deliver the monetary conditions needed to reduce inflation.

Income Tax

Mr. Greenway asked the Chancellor of the Exchequer what information he has on minimum and maximum income tax rates in *(a)* the United States of America, *(b)* Sweden and *(c)* France; and if he will make a statement.

Mr. Norman Lamont: The current minimum and maximum rates on the income tax scales are:

	Minimum percentage	*Maximum percentage*
United States of America	11	50
Sweden	34	80
France	5	65

Tax Evasion

Mr. Meadowcroft asked the Chancellor of the Exchequer (1) if he will state the number of staff in the Treasury assigned to uncover tax evasion and related fraud, in each of the years 1979-80 to 1985-86;

(2) what was the estimated cost to the Exchequer of tax evasion and related fraud, in the years 1979-80 to 1985-86, in each tax bracket;

(3) what was the average sum involved in tax evasion cases in 1984-85; and in those cases investigated what was the average amount of money recovered;

(4) how many Inland Revenue staff are based in Leeds, and how many of these are assigned to detecting and investigating tax evasion and related fraud;

(5) how many cases of tax evasion in Leeds have been prosecuted over the past five years; and what was the average amount of money involved;

(6) if he will publish his assessment of the incidence of tax evasion as a proportion of total numbers of tax payers in the years 1979-80 to 1985-86;

(7) if he will state the number of tax evasion and related fraud cases resulting in prosecution in 1984-85 and the number of prosecutions as a proportion of the total number of cases discovered.

Mr. Norman Lamont: I shall let the hon. Member have replies as soon as possible.

Health Education and Housing

Mr. Stan Thorne asked the Chancellor of the Exchequer if he has any plans to review Government policy towards public spending on health education and housing; and if he will make a statement.

Mr. MacGregor: I refer the hon. Member to the reply I gave earlier today to the hon. Member for Walsall, North (Mr. Winnick).

EEC (Freedom of Movement)

Mr. Deakins asked the Chancellor of the Exchequer what discussions have taken place within the Economic and Financial Council of the European Economic Communities on, and what is the policy of Her Majesty's Government towards, the harmonisation of income taxation provisions with respect to freedom of movement for workers within the Community; and if he will take steps to publicise these proposals in the United Kingdom

Mr. Norman Lamont [*pursuant to his reply*, 16 June 1986, c. *469*]: There has been no discussion in the Economic and Finance Council on this proposal for a directive, although from time to time the proposal has been considered in a working party of officials from member states of the Community.

The Government's attitude remains that set out in the explanatory memorandum of February 1980. Briefly, the Government consider that the draft directive creates difficulties of principle and introduces unnecessary complications for employers and tax authorities.

The proposed directive was published in the *Official Journal* of the European Communities on 26 January 1980. The Government have received a number of representations on it.

Tax Units

Mr. Meacher asked the Chancellor of the Exchequer how many tax units aged *(a)* under 16 years, *(b)* 16 years, *(c)* 17 years and *(d)* 18 years, respectively, made use of their personal allowance; and what was the average tax allowance use in *(a)* to *(d)* for the latest available year.

Mr. Norman Lamont [*pursuant to his reply*, 16 June 1986, c.*469*]: I regret that the information requested is not available.

ENVIRONMENT

Dog Licences

Mr. Kirkwood asked the Secretary of State for the Environment when he now expects to publish his response to the consultation paper on dog licences.

Mrs. Rumbold: We will announce our conclusions as soon as possible.

Listed Buildings (Demolition)

Sir Dudley Smith asked the Secretary of State for the Environment what is the average time it now takes to arrange a public inquiry into the proposed demolition of a listed building.

Mr. Tracey: The information requested is not available. If my hon. Friend has a particular case in mind, I would be willing to look into it.

West Yorkshire Metropolitan County Council

Mr. Harrison asked the Secretary of State for the Environment what was the estimated value of the West

Yorkshire metropolitan county councils county hall complex in Wood Street, Wakefield, West Yorkshire, at the time of the abolition of this council on 31 March.

Mr. Tracey: The West Yorkshire residuary body has asked the district valuer for his view of the value of County hall. His report is awaited.

Wildlife and Countryside Act 1981

Mr. Hardy asked the Secretary of State for the Environment how many persons convicted under the Wildlife and Countryside Act 1981 have subsequently been granted licences under that Act.

Mrs. Rumbold: This information is not readily available and could not be obtained except at disproportionate cost.

Drinking Water

Mr. Hardy asked the Secretary of State for the Environment if he will list the water authorities in which the quality of drinking water is below the minimum standards laid down by the EEC and provide an estimate of the number of consumers in each area who are affected.

Mrs. Rumbold: All supplies meet most of the standards set in the EC directive relating to the Quality of Water intended for Human Consumption (80/778 EEC). Estimates of population in England receiving water which may not be meeting one or more of the standards are listed by water authority area.

Water authority area	*Estimate of water authority and water company consumers affected millions*
Anglian	1·5
Northumbrian	1·0
North West	2·0
Severn Trent	2·8
Southern	0·1
South West	0·6
Thames	0·8
Yorkshire	2·0

Mr. Hardy asked the Secretary of State for the Environment if he will list the areas where bacterial pollution of drinking water or pollution by heavy metals or fluorine salts means that the quality is significantly below the standards laid down by the European Community.

Mrs. Rumbold: I refer the hon. Member to my reply to the hon. Member for Knowsley, North (Mr. Kilroy-Silk) of 21 October 1985 at column *95* in relation to bacterial pollution, and to my reply to the hon. Member for Birmingham, Erdington (Mr. Corbett) of 24 April 1986 at columns *235* and *236* in relation to lead. No public supplies in England contain other heavy metals or fluorine salts at levels which fail to meet Community standards.

Mr. Hardy asked the Secretary of State for the Environment if he will provide his estimate of the amount of capital expenditure needed by each water authority in order to bring drinking water supplies up to European minimum standards within the next five years.

Mrs. Rumbold: Investment directed to achieving compliance with EC drinking water standards has not been identified separately from other investment. Many schemes, particularly in the field of water mains and service reservoir replacement and rehabilitation, have more than one purpose and their cost cannot be wholly attributed to the need to comply with EC standards. However, certain water treatment investment can be almost wholly attributed to achieving these standards. In their 1986 corporate plans, English water authorities are proposing to spend about £100 million over the four-year plan period on investment directed towards achieving compliance with the EC drinking water directive.

Mr. Hardy asked the Secretary of State for the Environment what is the total number of people in England and Wales who receive supplies of drinking water which are either usually or frequently below the standards laid down by the European Community.

Mrs. Rumbold: I refer the hon. Member to the reply given by my hon. Friend the Minister for Housing, Urban Affairs and Construction on 9 December 1985 at column 466 to the hon. Member for Islington, South and Finsbury (Mr. Smith).

Mr. Hardy asked the Secretary of State for the Environment if he will list the principal pollutants of the public drinking water supply; and if he will list those pollutants which appear in such supply to an extent which exceeds the standards laid down by the European Community.

Mrs. Rumbold: Many substances naturally present in the ground as well as those added by human activities become pollutants as their concentrations increase in water. The principal potential pollutants in public water supplies are lead, aluminium and nitrate. They appear in some supplies at concentrations which exceed the maximum admissible concentration laid down in the EC Directive relating to the quality of water intended for human consumption. Where there is a health risk or where the directive requires action to be taken, programmes of improvement are in train.

Mr. Hardy asked the Secretary of State for the Environment what action is being taken in each water authority area to ensure that drinking water supplies are maintained at a level which meets the minimum standards set down by the European Community.

Mrs. Rumbold: I refer the hon. Member to my reply of 21 October 1985 at columns 94 and 95 to the hon. Member for Knowsley, North (Mr. Kilroy-Silk).

Asbestos

Mr. Parry asked the Secretary of State for the Environment (1) if Her Majesty's Government have any plans to finance safe asbestos removal programmes in England and Wales; and if he will make a statement;

(2) if he has any plans to introduce legislation to control asbestos pollution; and if he will make a statement;

(3) what representations he has received asking him to introduce legislation to control asbestos pollution.

Sir George Young: Approximately 20 representations concerning legislation to control asbestos in the environment have been received over the past two years. Legislation controlling atmospheric pollution by asbestos works was introduced in 1983. The Health and Safety (Emissions to Atmosphere) Regulations define asbestos

works in schedule 1 and require that the best practicable means are used to control emissions of noxious or offensive substances, including asbestos, and to render harmless and inoffensive any such substances which are emitted. Disposal of asbestos waste is controlled by the Council of Pollution Act 1974 (Part 1) and associated regulations. My right hon. Friend has no plans for further legislation.

Funds are not made available specifically for asbestos removal programmes, but rate support grant is paid in support of local authoriries' revenue expenditure generally, including expenditure on asbestos. It is not necessary to remove all asbestos from buildings. Asbestos materials which are damaged, deteriorating and releasing dust should be treated or removed. Asbestos materials which are in good condition and are not vulnerable to damage may be left in place safely. The Department published advice to householders on asbestos in December 1983 in the free leaflet "Asbestos in Housing". More detailed advice to local authorities was published in August 1983 in the booklet "Asbestos Materials in Buildings". This booklet has been expanded and updated and a revised version will be published in August this year.

Consultative Council on Local Government Finance

Dr. Cunningham asked the Secretary of State for the Environment what items he plans to discuss at the Consultative Council on Local Government Finance on 7 July, and at the special meeting of the Consultative Council on Local Government Finance he is convening at the end of July.

Mr. Ridley: The CCLGF meeting on 7 July will include discussion of the 1986 reports of the expenditure groups and the reports by the grants working group on options for changes to needs assessments.

I have not yet finalised the arrangements for the subsequent meeting of the CCLGF which will discuss the grants working group report on block grant mechanisms, amongst other issues. The secretariat are in consultation on appropriate dates but this will not be held before September.

Acid Rain

Mr. Hancock asked the Secretary of State for the Environment what recent representations he has received from European Governments concerning acid rain; and what has been his response.

Mr. Waldegrave: On 15 May, I received from the Swiss ambassador a letter addressed to the Secretary of State for the Environment from the President of the Swiss Confederation, on behalf of the 11 countries which adopted a declaration at Saas Fee on 28 April, enclosing the text of that declaration and asking the United Kingdom to consider, inter alia, joining the initiative to establish a new international agreement to reduce nitrogen oxide and hydrocarbon emissions. My right hon. Friend replied on 30 May saying that the United Kingdom would be happy to take part in initial negotiations on a protocol at the next meeting of the Executive Body of the convention on long range transboundary air pollution in November.

The Norwegian Environment Minister, Ms. Sissel Ronbeck, wrote to me on 28 May about the problem of transboundary air pollution and about the proposed European demonstration reprocessing plant at Dounreay. I expect to reply shortly.

Privately Rented Housing

Mr. Winnick asked the Secretary of State for the Environment when the hon. Member for Walsall, North will receive a reply to his letter of 22 May regarding the privately rented housing sector.

Mr. Ridley: As soon as possible.

Conservation (Management Agreements)

Dr. David Clark asked the Secretary of State for the Environment when he expects to be in a position to respond to the Gould report on management agreements under the Wildlife and Countryside Act 1981; and if he will make a statement.

Mr. Waldegrave: I refer the hon. Member to the answer I gave on 17 June to my hon. Friend the Member for Slough (Mr. Watts). The Government intend to consult shortly on both the report and its own preliminary conclusions.

Co-operatives

Mr. Allan Roberts asked the Secretary of State for the Environment what information he has about the effect of the abolition of the metropolitan county councils and the Greater London council on the level of funding available for the formation of worker co-operatives; if he will make it his policy to ensure that the level of funding available for this purpose matches that available prior to 31 March; and if he will make a statement.

Mrs. Rumbold: My Department does not keep records of the amount of funding available for the formation of worker co-operatives since such funding is provided at the discretion of local authorities. The successor borough and district authorities have the same powers to provide such funding as were available to the former GLC and MCCs.

Mr. Allan Roberts asked the Secretary of State for the Environment if he will introduce legislation increasing the level of moneys that may be raised under section 137 of the Local Government Act 1972 from 2p to 4p in the pound for the purpose of funding worker co-operatives; and if he will make a statement.

Mrs. Rumbold: The report of the committee of inquiry into the conduct of local authority business — the Widdicombe report—was laid before Parliament today. This recommends that the limit for spending under section 137 of the Local Government Act 1972 for the councils of the London boroughs and metropolitan districts be immediately increased from the product of a 2p rate to the product of a 4p rate. My right hon. Friend is looking carefully at the justification for this recommendation.

Regional Planning

Mr. Sims asked the Secretary of State for the Environment if, following his consultation on a draft letter of regional strategic guidance for the south-east, he is now in a position to issue final guidance to planning authorities in the region.

Mr. Ridley: I have today written to Lord Sandford, chairman of the London and south-east regional planning

conference, setting out the strategic guidance that I consider necessary at this stage for the review and updating of structure plans in the south-east region. I have sent copies of my letter to hon. Members for constituencies in the south-east and a copy has been placed in the Library.

Widdicombe Report

Mrs. Roe asked the Secretary of State for the Environment when he will publish the Widdicombe report; and whether he will make a statement.

Mr. Ridley: I have today laid before the House a copy of the report of the committee of inquiry into the conduct of local authority business, the Widdicombe report.

I should like to thank Mr. David Widdicombe, and his fellow members on the committee, most sincerely for their report. The committee's study has been a thorough one, and its report is impressive in the extent of its coverage and the scope of its findings.

It is also radical in content. Major changes are proposed to deal with the impact of greater politicisation on the conduct of local government business.

The Government believe that the report will stimulate wide-ranging debate. We wish to encourage that debate, and to weigh its outcome before reaching a view on the committee's proposals.

I am therefore issuing an invitation today to all interested parties to let me have their views. I am determined that the time scale for this will be adequate. We shall be looking for substantive responses by the end of this year.

I commend the committee for its major study, and I look forward to the considered response of the public.

HOME DEPARTMENT

Immigration

Mr. Whitfield asked the Secretary of State for the Home Department if he will make it his policy to maintain detailed separate statistics as to the number of visitors from the New Commonwealth and Pakistan who are admitted into the United Kingdom as a result of the representations of hon. Members.

Mr. Waddington: No. Statistics are maintained of the number of cases in which right hon. and hon. Members have made representations against a decision by an immigration officer to refuse entry to a passenger seeking admission to the United Kingdom. These will include the cases in which, following representations, it is decided that the refusal of entry should be withdrawn and leave to enter granted, but figures of the various nationalities involved will not be kept on a routine basis.

Mr. Evennett asked the Secretary of State for the Home Department what advice has been issued to officials of the immigration service involved in interviewing those who may be charged with a criminal offence since the Police and Criminal Evidence Act 1984 came into force.

Mr. Waddington: I refer the hon. Member to the reply given to a question from my hon. Friend the Member for Crawley (Mr. Soames) on 11 June 1986 at cols. *177-78*.

Nationality

Mr. Evennett asked the Secretary of State for the Home Department if he has any plans to introduce legislation to amend or repeal the British Nationality Act 1981; and if he will make a statement.

Mr. Waddington: The British Nationality Act 1981 provides a sound and equitable basis for establishing nationality according to a person's links with this country or its dependent territories. The Government have no plans to amend or repeal the Act and believe that repeal would be irresponsible and damaging to community relations.

Mr. Gerry Gable

Mr. Dubs asked the Secretary of State for the Home Department if he will make a statement on the nature and scope of any public investigations into the allegation that there has been a plot to intimidate, kidnap or murder Mr. Gerry Gable of "Searchlight" magazine.

Mr. Giles Shaw: I have nothing to add to my reply to the hon. Member's question on 11 April at column *195*.

Chernobyl

Mr. Terlezki asked the Secretary of State for the Home Department what recent representations he has received about the implications for the level of resources devoted to civil protection of the Chernobyl disaster.

Mr. Giles Shaw: I answered questions from my hon. Friend on 13 May at column *402* and from my hon. Friend the Member for Wansdyke (Mr. Aspinwall) on 22 May at column *257*. The subject has also been raised during the consideration of the Civil Protection in Peacetime Bill and in a number of letters received in the Department.

Natural Disasters

Mr. Stephen Ross asked the Secretary of State for the Home Department if he will make a statement concerning the training of civil protection officers in England and Wales in connection with problems arising from natural disasters.

Mr. Giles Shaw: It is primarily for local authorities to consider the training needs of their emergency planning officers. General advice on natural disasters is given in section 23 of the emergency planning guidance to local authorities, and many of the courses available at the Civil Defence College have considerable relevance to the problems caused by peacetime emergencies.

Arrests

Mr. Gregory asked the Secretary of State for the Home Department whether he will issue guidance to chief officers of police to the effect that persons who are arrested and subsequently released without charge are offered assistance in travelling home; and if he will make a statement.

Mr. Giles Shaw: There is no requirement on the police to assist an arrested person to return after his release either to his home or to the place where he was arrested. As a matter of good practice, however, most police forces offer assistance in cases where the suspect is released without

charge. We are at present considering with chief officers of police whether central guidance on this issue would be helpful. I shall write to my hon. Friend in due course to let him know the outcome.

Police Manpower

Mr. Moate asked the Secretary of State for the Home Department if he will give the latest figures for total police manpower; and if he will indicate what increase this represents compared with 1979.

Mr. Giles Shaw: On 30 April 1986, there were 121,127 police officers and 39,610 civilian staff, so that the total manpower in the police service in England and Wales had increased by 14,615 (9,634 police officers and 4,981 civilians) since May 1979.

Mr. Hirst asked the Secretary of State for the Home Department how many police officers are in service at the latest convenient date; how this compares with the number in service at May 1979; and if he will make a statement.

Mr. Giles Shaw: On 30 April 1986, the strength of the police service in England and Wales was 121,127, an increase of 9,634 since May 1979.

Data Protection

Mr. D. E. Thomas asked the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Meirionnyd Nant Conwy, *Official Report*, 22 May, column *260*, when he expects to hear of the arrangements the Data Protection Registrar has made for the issuing of information concerning the act in the Welsh language.

Mr. Waddington: The Data Protection Registrar expects to receive translations of his registration forms shortly. There are, however, some practical issues still to be considered in relation to the handling of forms in the Welsh language and the registrar is not yet able to say when he will be able to bring the forms into use or to issue further guidance in Welsh.

Dr. Frank Skuse

Mr. Dalyell asked the Secretary of State for the Home Department whether he has given consideration to the evidence given by the Home Office forensic scientist, Dr. Frank Skuse, at the trial of the six men convicted of the Birmingham pub bombings in the light of recent experiments conducted by Dr. Brian Caddy, head of the forensic science unit at the University of Strathclyde.

Mr. Hurd: I am considering this in the context of representations about the case.

Drink-Driving

Mr. Peter Bruinvels asked the Secretary of State for the Home Department if he plans to continue the option of a blood test currently offered to those tested for suspected drink-driving; and if he will make a statement on the outcome of recent trials.

Mr. Giles Shaw: On 25 June 1985 at columns *342-43* the then Home Secretary announced that the non-statutory blood or urine option would be continued for a further period and that the position would be reviewed in 12 months. That review is now under way and the outcome will be announced in due course.

Mr. Werner Bruckhausen

Mr. Meadowcroft asked the Secretary of State for the Home Department why Mr. Werner Bruckhausen was extradited from the United Kingdom on 13 June contrary to undertakings given to his representatives by his Department.

Mr. Hurd: The representations made on Mr. Bruckhausen's behalf on 13 June did not add to the arguments which had already been fully considered. No undertakings were given by officials of this Department to the effect that Mr. Bruckhausen would not be extradited on that date.

Member's Correspondence

Mr. Winnick asked the Secretary of State for the Home Department when the hon. Member for Walsall, North will receive a reply to the letter of 21 May regarding the passport of a constituent in Short Heath, Willenhall.

Mr. Waddington: I presume the hon. Member is referring to his letter of 21 April to my right hon. Friend, since when an inquiry has been made of the hon. Member to establish precise particulars of his constituent. I will write to him shortly.

Anwara Begum

Mr. Sedgemore asked the Secretary of State for the Home Department why Anwara Begum of 76 Clifden road, E.5, was removed from the United Kingdom before his Department had replied to letters on the case from the hon. Member for Hackney, South and Shoreditch, dated 21 May and 11 June; and if he will make a statement.

Mr. Waddington: I regret that following the receipt of written representations from the hon. Member the instruction to the immigration service to cancel the removal directions in this case was not implemented. Inquiries are being made into why this occurred and I will write to the hon. Member.

Mr. Mohammed Aslam

Mr. Kaufman asked the Secretary of State for the Home Department (1) when he expects to reach a decision in the case of Mr. Mohammed Aslam, a passenger from Islamabad, who has been in detention at Heathrow since 11 May;

(2) if he will state the reasons for *(a)* the detention since 11 May at the detention centre, Heathrow, of Mr. Mohammed Aslam, a passenger from Islamabad and *(b)* the failure to inform Mr. Aslam and his cousin, Mr. Mohammed Akram, of Heckmondwike, West Yorkshire, of reasons for delay in the case.

Mr. Waddington: I wrote on 18 June to the constituency Member who had made representations on Mr. Aslam's behalf. Mr. Aslam was detained because the risk of his failing to comply with the terms of temporary admission was considered to be unacceptably high. Since his arrival four inquiries about detention from Mr. Aslam's representatives have been answered by the port. The constituency Member has been kept informed about the case by my Private Office.

Hippy Convoy

Mr. Chope asked the Secretary of State for the Home Department if he will seek a report from the chief constable of Hampshire setting out a schedule of the summonses and charges brought against members of the so-called hippy convoy whilst they were in Hampshire; and what information he has as to the penalties so far imposed by the courts.

Mr. Giles Shaw [*pursuant to his reply*, 13 June 1986, c. *323*]: The chief constable informs me that up to 10 June proceedings had been instituted against 69 people associated with the convoy whilst it was in Hampshire. Sixty-one people were charged, and nine people (including one of those charged) were proceeded against by way of summons. The alleged offences included motoring offences, public order offences, obstructing or assaulting the police, obstructing the highway, drugs offences and criminal damage. In the cases heard up to 10 June, the penalties on conviction included fines, binding-over orders and conditional discharges. The highest fine was £200.

Drug Offences

Mr. Penhaligon asked the Secretary of State for the Home Department how many individuals in the past five years, charged with supplying heroin, were bailed on their first appearance in court.

Mr. Clay: asked the Secretary of State for the Home Department how many people in the past 12 months have been granted bail after being charged with offences related to the supply of heroin.

Mr. Hurd [*pursuant to his reply*, 17 June 1986]: The information which can be provided without incurring disproportionate cost is given in the following table; separate figures are not available for offences involving heroin.

Persons proceeded against in magistrates' courts for supplying or offering to supply a controlled drug by type of remand*
England and Wales

Type of remand during magistrates' court proceedings	*Number of persons*	
	1983	*1984*
Granted bail	672	915
Remanded in custody†	179	442
Not remanded	344	392
Total	1,195	1,749

* Misuse of Drugs Act 1971 section 4(3).
† Including those who were given bail at some stage of the magistrates' court proceedings but who were also remanded in custody.

TRANSPORT

Leadenham Bypass

Mr. Douglas Hogg asked the Secretary of State for Transport if he will make a statement as to his plans for a bypass for Leadenham.

Mr. Peter Bottomley: We have received a report by consultants on possible alignments for the bypass and hope to announce our intentions for further investigation and design work shortly.

Written Answers to Questions

Friday 20 June 1986

OVERSEAS DEVELOPMENT

Development Assistance

Mr. Stevens asked the Secretary of State for Foreign and Commonwealth Affairs what was the amount of net official development assistance provided by Britain to developing countries in 1985 as a percentage of gross national product.

Mr. Raison: In 1985 Britain provided net official development assistance equivalent to 0·34 per cent. of GNP, not 0·33 per cent. as announced to the House on 7 May. The earlier figure did not take full account of the amounts which Britain contributed to European Community aid programmes financed from the Community budget in 1985; overall the underestimation was about £30 million.

ATTORNEY-GENERAL

Barristers

Mr. Michael Brown asked the Attorney-General if the Lord Chancellor intends to set up a pay review body for remuneration to barristers for criminal legal aid work for 1987 onwards.

The Solicitor-General: I have nothing at present to add to the Lord Chancellor's statement in another place on 4 June last.

WALES

Auxiliary Nursing Staff

Mr. Barry Jones asked the Secretary of State for Wales what information his Department has about the use by Welsh health authorities of agency staff, nursing assistants or nursing auxiliaries; and if he will make a statement.

Mr. Mark Robinson: Some small use of agency nursing staff has been made by authorities in the past, but not on a regular basis. It is not possible accurately to distinguish between the two categories in the nursing auxiliary-nursing assistant grade. The use and deployment of particular categories of staff are operational matters for the health authority concerned.

Youth Training

Mr. Ron Davies asked the Secretary of State for Wales what is the total number of people presently employed in or about to leave the various YTS schemes in Wales.

Mr. Nicholas Edwards: The latest available figure relates to young people in training on YTS at 31 May. At this date it is estimated that there were 16,234 trainees.

Community Industry

Mr. Ron Davies asked the Secretary of State for Wales how many young people are presently engaged in community industry schemes in Wales.

Mr. Nicholas Edwards: At 8 May 811 young people were engaged in community industry schemes in Wales.

16 and 17-year-olds

Mr. Ron Davies asked the Secretary of State for Wales what is the total population of economically active 16 and 17-year-olds in Wales.

Mr. Nicholas Edwards: Preliminary results from the 1985 "Labour Force Survey" indicate that, in the spring of 1985, there were about 45,000 economically active persons aged 16 and 17 resident in Wales. This survey is based on a sample of some 2,500 private households in Wales and includes students with remunerative employment.

NATIONAL FINANCE

Economic and Financial Council

Mr. Forman asked the Chancellor of the Exchequer if he will report on the latest meeting of the European Community's Economic and Finance Council.

Mr. Lawson: The EC Economic and Finance Council met in Luxembourg on 16 June. I represented the United Kingdom.

The Council discussed the report of the Ad Hoc Group on the removal of fiscal barriers. The Council asked the Commission to present, by 1 April 1987, detailed proposals on rate structures and on the accompanying systems which in the Commission's view are necessary for the completion of the internal market. This will help the member states to assess the Commission's approach, particularly in respect of its wider budgetary, economic, social and industrial implications.

The Council had a general discussion on the liberalisation of capital movements in the Community, in particular on the recent proposals by the European Commission for the achievement of full liberalisation by 1992. There was general support for the Commission's objectives. This topic will be given priority during the forthcoming United Kingdom Presidency of the Community, and it is hoped that in the first instance a new Council Directive designed to extend the current liberalisation obligations can be adopted by the Council later this year.

The Council considered the Community's economic and financial relations with Japan and, in preparation for the European Council later this month, the general economic situation in the Community. The Council expects to return to the latter question at its meeting in July.

FOREIGN AND COMMONWEALTH AFFAIRS

Cyprus

Mr. Hickmet asked the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government intend to take in the light of the report of the

United Nations Secretary General to the Security Council dated 12 June that the Greek Cypriots have refused his latest proposed draft agreement for the Cyprus problem and regarding the dangers of the present situation; and if he will make a statement.

Mr. Renton: We continue to stand ready to do all we can in support of the United Nations Secretary General's initiative. We have made clear our disappointment that one party in the Cyprus dispute has not felt able to accept his proposals. We agree with the Secretary General that all parties to the dispute must now reflect carefully on the way forward. We urge them not to take any action which could make the present situation worse.

Mr. Chris Smith asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made by Her Majesty's Government to the Government of the Republic of Cyprus in relation to the continued division of the island; what account has been taken by Her Majesty's Government in relation to such representations of resolutions passed by the United Nations; and if he will make a statement.

Mr. Renton: We have made clear to the Government of the Republic of Cyprus our disappointment that only one side in the dispute has so far felt able to accept the Secretary General's latest proposals for a unified federal Cyprus. The Secretary General's proposals take account of the relevant United Nations resolutions. We continue strongly to support his efforts.

Direct Broadcasting by Satellite (British Council)

Mr. Onslow asked the Secretary of State for Foreign and Commonwealth Affairs what studies his Department has made of the possible application of direct broadcasting by satellite to the work of the British Council.

Mr. Renton: We have made no studies of the possible application of direct broadcasting by satellite to the work of the British Council. But we fully recognise the importance of being in the forefront of the new technology in the field of foreign policy and propose to study its application in an inter-departmental committee.

Single European Act

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if, in respect of each of the three principal parts of the decision of the Ministers of the European Economic Community taken on the occasion of the signing of the Single European Act on 28 February last, he will list the steps he is taking to secure compliance with the Ponsonby rule in relation to ratification.

Mrs. Chalker: The decision adopted by Foreign Ministers of the Twelve on the occasion of the signing of the Single European Act sets out procedures for the practical application of certain aspects of title III of the Single European Act. It is not a treaty, is not subject to ratification, and the Ponsonby rules do not apply. It has been placed in the Library of the House for the information of hon. Members.

Fathers Svarinskas and Tamkevicius

Mr. Frank Field asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Russian authorities about the imprisonment of two Lithuanian priests, Father Svarinskas and Father Tamkevicius.

Mr. Renton: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Wealden (Sir G. Johnson Smith) on 17 June, at column *489*.

ENVIRONMENT

Nuclear Waste

Mr. Alton asked the Secretary of State for the Environment if he will make a statement on his policy for preventing the spread by rodents of radioactive contamination from low level nuclear waste disposal sites.

Mrs. Rumbold: We do not consider this to be a problem in practice.

Water Fittings and Pipes

Mr. Allen Adams asked the Secretary of State for the Environment if he will introduce legislation to prohibit the sale of water fittings and pipes which do not conform to British safety standards; and if he will make a statement.

Mr. John Patten: No. The need for such legislation has not been shown.

Sport

Mr. Michael Brown asked the Secretary of State for the Environment how many Press officers liaise with the Minister for sport in connection with matters within his responsibility for sport.

Mr. Tracey: One officer in the Department's information directorate deals with sports matters along with other areas of the Department's responsibility.

Mr. Michael Brown asked the Secretary of State for the Environment how many civil servants work directly for the Minister of sport: what is their grade; and what is their total cost per annum.

Mr. Tracey: Twenty officials work in the Department's sport and recreation division providing advice for Ministers on sport and recreation matters. The grades of these officials are—assistant secretary (1), principal (2), higher executive officer (5), executive officer (7), clerical officer (4) and senior personal secretary (1). Their total cost per annum is £217,300. In addition, the four staff in my private office have some dealings with these matters, along with the other areas of the Department's work for which I am responsible.

Mr. Michael Brown asked the Secretary of State for the Environment if he will list in the *Official Report* the places visited by the Minister for Sport during the last 12 months; and what was the purpose of each visit and the cost in each case.

Mr. Tracey: Since September 1985 when I was appointed Parliamentary Under-Secretary of State at the Department of the Environment, I have visited the following places in connection with the part of my ministerial responsibility relating to sport and recreation matters:

Date	Place visited	Purpose
Wednesday 11 September	Wembley	World Cup Qualifying Match—England *v.* Rumania
Saturday 14 September	Twickenham	London Welsh *v.* Barbarians Centenary Rugby Match
Tuesday 17 September	Birmingham	Opening of Olympic Bid Offices
Monday 23 September	Olympia, London	Presentation of "Product of the Year Awards" at Exhibition of Sport and Leisure
Wednesday 25 September	Richmond	International Ice Skating
Tuesday 1 October	London Borough of Bromley	Opening new dual-use facilities at Kemnal Manor School
Thursday 17 October	Portsmouth	Tour of children's play schemes
Wednesday 6 November	Woking	Opening new tennis centre
Wednesday 13 November	Bristol	Squash Championships (together with other Departmental business)
Monday 18 to Tuesday 19 November	Bisham Abbey National Sports Centre, Buckinghamshire	Meeting of Chairmen of Regional Councils for Sport and Recreation
Wednesday 20 November	Bournemouth	Address to Central Council of Physical Recreation Annual Conference
Saturday 23 November	Watford	Visit to Watford Football Club (at invitation of my hon. Friend the Member for Watford)
Wednesday 27 November	London	London Federation of Boys' Clubs Boxing Finals
Friday 29 November	London	Speech at fund-raising luncheon for World Hockey Cup
Saturday 30 November	Wembley	Netball International
Sunday 1 December	Tolworth	Surrey County Table Tennis Championships
Thursday 5 December	Maidstone	Address to South Eastern Council for Sport and Recreation
Thursday 5 December	Wembley	Presentation of awards at Sports Writers' Annual Awards Dinner
Saturday 7 December	Wimbledon	Visit to Wimbledon FC
Monday 9 December	London	Presentation of Football Club of Year Awards
Sunday 15 December	Olympia, London	Show jumping event
Sunday 22 December	Wembley	International Gymnastics event
Wednesday 8 January	Olympia, London	Boat Show
Saturday 11 to Monday 13 January	Switzerland	British Ski Championships
Saturday 18 January	London	Visit to Tottenham Hotspur FC
Friday 24 January	London	European Cup Tennis Championship
Saturday 25 January	London	Presentation of Awards to British Racing Sports Car Club
Sunday 26 January	London	Visit to Chelsea FC
Saturday 1 February	London	Presentation for Rowing Marathon
Monday 10 February	London	Sports Aid Foundation Dinner
Saturday 15 February	Kingston, Surrey	Attend league basketball match
Wednesday 19 February	London	Cable and Wireless Test Series Dinner
Thursday 27 February	Harrogate	Address to Sports Council Conference
Saturday 1 March	Twickenham	England *v.* Ireland Rugby International
Tuesday 4 March	Hook, Surrey	Inspection of dual-use facilities at Southborough School
Thursday 6 March	London	Tooting Sports Centre topping out ceremony
Saturday 8 March	Scunthorpe	Visit to Scunthorpe Town FC (at invitation of my hon. Friend, the Member for Glanford and Scunthorpe)
Saturday 15 March	Wembley	England *v.* Canada Women's Hockey International
Sunday 16 March	Wembley	All-England Badminton Finals
Saturday 22 March	Wembley	Presentation of prizes at National Basketball Championships
Sunday 23 March	London	Professional Footballers' Association Dinner
Monday 24 March	London	Boxing event
Thursday 27 March	London	National Schoolboy Rugby Sevens Tournament
Saturday 29 March	London	Oxford *v.* Cambridge Boat Race
Wednesday 2 April	London	London Welsh RFC Centenary Dinner
Thursday 3 April	Kingston, Surrey	Opening Norbiton Athletics Stadium
Monday 7 April	London	Football Association Dinner for Mexican delegation
Wednesday 9 April	Edinburgh	Visit to Commonwealth Games organisers
Saturday 12 April	Reading	Visit to Reading FC (at the invitation of my hon. Friend the Member for Reading West)
Saturday 12 April	Esher, Surrey	Kingstonian FC Dinner
Sunday 20 April	Badminton	Badminton Horse Trials
Tuesday 22 April	Wembley	Presentation of prizes at British Open Squash Championships
Wednesday 23 April	Wembley	England *v.* Scotland Football International
Wednesday 30 April	Dorset	Visit to dual use facilities and opening Sports Centre (at the invitation of my hon. Friends, Members for Dorset West and Poole)
Saturday 10 May	Wembley	FA Cup Final
Monday 12 May	Newbury	Opening Recreation Centre extension

Date	Place visited	Purpose
Wednesday 14 May	London	London Federation of Boys' Clubs Awards Presentation
Friday 16 May	Southampton	Visit to Solent Project, Hampshire CCC; and discussion with officers on dual use (at the invitation of my hon. Friend, the Member for Southampton Itchen)
Saturday 17 May	Warwickshire	Presentation at Schools' Swimming Gala in Stratford upon Avon
Monday 19 May	London	Central Council of Physical Recreation AGM
Thursday 22 May	London	Opening of Tideway Scullers Club House, Chiswick
Sunday 25 May	London	Start Sport Aid Run in Hyde Park
Wednesday 28 May	Weybridge, Surrey	Opening of Sports Centre
Saturday 31 May	Wembley	Schoolboy Football International
Sunday 1 June	Hickstead, Sussex	Presentation of Nations Cup (Showjumping)
Tuesday 3 June	London	Speech at English Basketball Association Dinner
Sunday 8 to Monday 16 June	Mexico	Soccer World Cup
Wednesday 18 June	Milton Keynes	Address to Southern Council for Sport and Recreation

This list excludes places visited in connection with my other ministerial responsibilities in support of my noble Friend the Minister of State with responsibilities for planning, heritage and regional affairs. The costs incurred in the case of most domestic visits are not readily available, and could be estimated only at disproportionate cost. The full cost to the Department of the overseas visit to Switzerland was approximately £1,600. The cost to the Department of the visit to Mexico has not yet been finally calculated, but is estimated to be approximately £5,500.

Sports Council (Chairman)

Mr. Michael Brown asked the Secretary of State for the Environment when he last met the chairman of the Sports Council; what subjects were discussed; and what is the date of the next meeting.

Mr. Tracey: I meet regularly the chairman of the Sports Council to discuss issues relating to the development of sport. We last met on 7 May, when we discussed a wide range of such issues. Our next meeting is scheduled for 2 July.

National Clean-up Scheme

Dr. Cunningham asked the Secretary of State for the Environment if he will make a statement giving details of the national clean-up scheme.

Mr. Ridley [*pursuant to his reply*, 5 June 1986, c. *613*]: I will make a full statement to the House in July, when the details of the new initiative have been completed and when all concerned are ready to launch the new scheme. I have invited a number of established national voluntary organisations to act as agents in launching the initiative, and I am happy to confirm that Mr. Richard Branson, chairman of the Virgin Group has been invited to be chairman of the board.

EMPLOYMENT

Toxic Waste

Dr. Roger Thomas asked the Paymaster General (1) how many inspectors there have been at the Health and Safety Executive dealing with toxic waste matters for each year since the establishment of the Health and Safety Executive;

(2) how many inspectors there are at the Health and Safety Executive whose duty it is to deal with toxic waste matters.

Mr. Trippier: The information is not available in the form requested. All Health and Safety Executive inspectors may be involved in dealing with toxic waste wherever their work brings them into contact with the handling or storing of toxic materials.

National Insurance Level

Mr. Leighton asked the Paymaster General what has been the increase in the number of employees below the national insurance level since 1983.

Mr. Lang: Precise information is not available. However, evidence from the "New Earnings Survey" and other data suggest that between April 1983 and April 1985 (the latest period for which data on the distribution of earnings are available), the number of employees whose gross weekly earnings were below the limit for national insurance purposes increased by about a third of a million.

Radiation

Mr. Frank Cook asked the Paymaster General why the effective dose equivalent concept and the use of organ weighting factors as recommended by the International Commission on Radiological Protection was incorporated into the Ionising Radiation Regulations 1985; and whether it is possible under the regulations for a worker to show a lower recorded dose for a given exposure than under the system of dose limitation.

Mr. Trippier: The effective dose equivalent concept, which involves the use of organ weighting factors, was incorporated into the Ionising Radiations Regulations 1985 because it represented the most recent recommendation of ICRP, was included in EC Directives 80/836/Euratom and 84/467/Euratom which the Regulations implement, and was the advice of the National Radiological Protection Board.

It is not possible for the dose recorded for a worker for a given exposure to be less than that calculated using the ICRP system.

Home Workers

Mr. Kilroy-Silk asked the Paymaster General by what method wages inspectors determine whether or not an employer is employing home workers.

Mr. Trippier: Where records do not show that the services of homeworkers are used, wages inspectors ask employers whether work is given out to any person.

Mr. Kilroy-Silk asked the Paymaster General what proportion of the inspections carried out by the Wages Inspectorate in the period 1979 to 1985 were of home workers.

Mr. Trippier: The information requested is given in the table:

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Workers							
(a) Workers whose pay was checked	244,941	295,491	205,804	287,392	332,853	416,894	300,692
(b) Homeworkers whose pay was checked (included above)	3,570	2,565	1,665	1,358	1,974	1,883	1,606
(c) *(b)* as a percentage of *(a)*	1·4	0·9	0·8	0·5	0·6	0·4	0·5
Establishments							
(a) Establishments where pay was checked	52,821	49,994	37,893	39,514	42,558	41,576	40,382
(b) Establishments employing homeworkers where pay was checked (included above)	1,251	229	154	105	177	178	169
(c) *(b)* as a percentage of *(a)*	2·4	0·4	0·4	0·2	0·4	0·4	0·4

National Council for Vocational Qualifications

Mr. Alfred Morris asked the Paymaster General what representations his Department has received from the National Bureau for Handicapped Students concerning representation on the proposed National Council for Vocational Qualifications; what reply is being sent; and if he will make a statement.

Mr. Trippier: I would refer the hon. Member to the reply given today by the Minister of State at the Department of Education and Science to his identical question concerning similar representations by my right hon. Friend the Secretary of State for Education and Science from the National Bureau for Handicapped Students.

ENERGY

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Energy how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Peter Walker: In the 1983-84 Session 16 Officials and four Ministers from my Department gave evidence to Select Committees of this House. The figures for the 1984-85 Session were 27 and six respectively.

Energy Crops

Mr. Ron Davies asked the Secretary of State for Energy if a report on the work of the Institute of Terrestrial Ecology on native and naturalised species of plant as potential energy crops has been published.

Mr. Peter Walker: Yes. The report was published in May 1986 by the Energy Technology Support Unit—reference number ETSU/B1086 volumes 1-5. I am arranging for copies to be placed in the Libraries of the House.

Council of Energy Ministers

Mr. Andrew MacKay asked the Secretary of State for Energy if he will make a statement about the meeting of the European Community Council of Energy Ministers which met on 3 June.

Mr. Peter Walker: I represented the United Kingdom at the Council of Energy Ministers on 3 June.

The Council discussed the Chernobyl nuclear accident. It emphasised the importance of learning lessons from the accident both internationally and within the Community. It agreed that the appropriate forum for action was the International Atomic Energy Agency. Co-ordination between the Community and its member states should take place within the framework of discussions at the IAEA. It noted that the Commission intended to place a communication before the Council shortly on the consequences of the Chernobyl accident.

Considerable progress was made on the draft regulation establishing a new regime governing the payment of state aids to the coal industry. The only outstanding point concerns the duration of the proposed regime. Once that is settled the Community will have an agreed mechanism enabling the Government to give support to the coal industry for some years ahead. This is an essential condition to bringing the coal industry to economic viability. The Council was unable to agree the proposed Community energy objectives for 1995. I regret that Denmark was not able to accept the wording of the Community's objectives.

The Council agreed the adoption of the draft resolution on the Community orientation to develop new and renewable energy sources, subject to the comments of the European Parliament. This is a useful endorsement of the value of renewable energy sources where they are competitive.

The Council had a further discussion on the oil market situation. It invited the Commission to continue to monitor developments in the market and keep the Council informed. The Community would continue to work towards promoting the opening up of the other major

industrial markets so that exports of Middle East refined products are not unduly concentrated on the Community alone.

Nuclear Reactors

Mr. D. E. Thomas asked the Secretary of State for Energy on how many occasions, and in which years, and in what amounts, plutonium from British Nuclear Fuels Limited operated reactors at Calder Hall—Chapel Cross has been submitted to *(a)* EURATOM safeguards and *(b)* International Atomic Energy Agency safeguards.

Mr. Goodlad [*pursuant to the reply*, 13 June 1986, c. *343*]: When United Kingdom civil nuclear plutonium became subject to Euratom safeguards in January 1973 the initial declared inventory included material in Calder Hall—Chapel Cross origin then being used in civil research and development work.

A similar situation obtained in August 1978 when the initial inventory of plutonium subject to the United Kingdom/Euratom/IAEA agreement was declared. Since safeguards were introduced, there have been two additional occasions on which plutonium, in greater than gramme quantities, of Calder Hall—Chapel Cross origin has been submitted for inclusion on the inventory of safeguarded material in the United Kingdom; 545kg in February 1984 and 1·5kg in March 1986. Additionally there has been a number of occasions when quantities of less than one gramme have been submitted for inclusion into the safeguarded inventory.

The current situation is that more than 1¼ tonnes plutonium of Calder Hall—Chapel Cross origin are subject to international safeguards arrangement. This includes some 700kg exported by BNFL. The balance is held by the UKAEA and BNFL.

EDUCATION AND SCIENCE

Deaf People (Teachers)

Mr. Hancock asked the Secretary of State for Education and Science how much money he plans to make available for in-service training of teachers of the deaf.

Mr. Chris Patten: The Government intend that support from public funds for the provision of training for teachers of the deaf should continue at a level sufficient to assure the supply of such teachers. The student numbers now allocated to courses of initial teacher training in special educational needs will be transferred to in-service training when intakes to those courses cease. The costs to local authorities who send teachers for in-service training are currently supported through arrangements for the pooling among local authorities of in-service teacher training costs. We intend that these costs should be eligible for support from 1 April 1987 under the new financial arrangements for which we are seeking statutory powers through the Education Bill now before the House.

National Council for Vocational Qualifications

Mr. Alfred Morris asked the Secretary of State for Education and Science what representations he has received from the National Bureau for Handicapped Students concerning representations on the proposed National Council for Vocational Qualifications; what reply he is sending; and if he will make a statement.

Mr. Chris Patten: My right hon. Friend received on 4 June a letter dated 28 May from the National Bureau for Handicapped Students. The letter called for specific responsibility to be given to one member of the proposed Council for reviewing the needs of people with special needs arising from disability, learning difficulty, and emotional problems. I replied to the letter on 11 June, replying at the same time to a similar letter sent to my right hon. and noble Friend, the Secretary of State for Employment; I am sending a copy of my letter to the right hon. Member.

School Examinations

Mr. Hancock asked the Secretary of State for Education and Science (1) how many children, expressed as a percentage of the total number leaving at 16, leave school at 16 *(a)* with no O-levels or CSEs and *(b)* with no O-levels and CSE grades 4 and below;

(2) if he will give the number of children who have taken O-levels in Hampshire, in what subjects and how many have passed, in the last five years;

(3) if he will give the number of children in Hampshire who have undertaken the CSE examination in the last five years, indicating subjects taken.

Mr. Dunn [*pursuant to his reply*, 16 June 1986, c. *383*]: Information is not available in exactly the form requested. It is estimated that in 1984-85 13·1 per cent. of pupils who left English maintained secondary schools during their minimum school leaving age year had not obtained any graded results in O-levels or CSE examinations. A further 48·4 per cent. achieved one or more results at lower grade(s)† only. On the same basis the percentages for leavers from maintained schools in Hampshire were 8·2 per cent. and 47·8 per cent. respectively.

Information on the number of school leavers, of all ages, from Hampshire maintained schools who attempted, and achieved higher graded O-level/CSE results in, specified subjects or combinations of subjects are:

Leavers from maintained schools in Hampshire

	Academic year					
	1979-80 *Thousands*	*1980-81* *Thousands*	*1981-82* *Thousands*	*1982-83* *Thousands*	*1983-84* *Thousands*	*1984-85* *Thousands*
Total leavers	22·45	23·04	23·20	22·72	24·20	22·36
Number attempting O level in:						
English	9·64	10·06	10·60	9·97	11·40	10·03
Mathematics	6·46	7·10	7·57	7·61	8·59	8·03
A science	7·68	8·03	8·82	8·17	9·21	8·34
A modern language	3·54	3·70	4·13	3·76	4·02	3·75

	Academic year					
	1979-80 Thousands	*1980-81 Thousands*	*1981-82 Thousands*	*1982-83 Thousands*	*1983-84 Thousands*	*1984-85 Thousands*
Number gaining O level grades A to C in:						
English	7·12	7·45	8·21	7·61	8·63	7·56
Mathematics	4·73	4·94	5·49	5·69	6·45	5·62
A science	5·51	5·24	6·07	5·65	6·27	5·46
A modern language	2·35	2·26	2·82	2·35	2·92	2·59
English and mathematics	3·96	4·14	4·72	4·71	5·32	4·66
Mathematics and science	3·65	3·53	4·37	4·17	4·85	4·05
English, mathematics and science	3·26	3·09	3·90	3·65	4·19	3·56
English, mathematics and a modern language	1·79	1·75	2·22	1·86	2·41	2·14
English, mathematics, science and a modern language	1·55	1·39	1·90	1·60	1·98	1·75
Any subject	9·77	10·19	10·74	10·32	11·59	10·51
Number attempting O level or CSE in:						
English	19·37	19·76	20·83	20·22	22·07	20·32
Mathematics	18·70	19·17	19·74	19·22	20·85	19·43
A science	17·39	18·04	19·07	18·65	20·63	19·09
A modern language	8·30	8·55	9·47	9·10	9·67	9·11
Number gaining O level or CSE higher* grades in:						
English	8·14	8·29	9·20	8·73	10·11	8·62
Mathematics	5·97	6·17	6·71	6·77	7·54	6·80
A science	6·61	6·26	7·17	6·69	7·58	6·37
A modern language	2·73	2·77	3·74	3·19	3·74	3·28
English and mathematics	4·95	5·13	5·77	5·70	6·42	5·65
Mathematics and science	4·59	4·42	5·19	5·06	5·69	4·86
English, mathematics and science	4·00	3·81	4·71	4·38	5·06	4·31
English, mathematics and a modern language	2·13	2·16	2·83	2·42	3·05	2·62
English, mathematics, science and a modern language	1·85	1·74	2·35	1·92	2·44	2·14
Any subject	11·79	12·01	12·79	12·48	13·96	12·49

Note:
* O level grades A to C, CSE grade 1.
† O level grades D and E, CSE grades 2 to 5.
Source: School leavers sample survey. Examinations data are subject to sampling error.

HOME DEPARTMENT

News International Plant, Wapping

Mr. John Fraser asked the Secretary of State for the Home Department what police resources from the 'L' Division are being deployed at Wapping.

Mr. Giles Shaw: The number of officers deployed in policing the News International dispute at Wapping varies from day to day and hour to hour, according to the operational requirement. I understand from the Commissioner that on Saturday 14 June, 42 officers from 'L' District performed duty at Wapping totalling approximately 462 hours.

Immigration

Mr. Evennett asked the Secretary of State for the Home Department if he has any plans to introduce legislation to amend or repeal the Immigration Act 1971; and if he will make a statement.

Mr. Waddington: The Immigration Act 1971 provides the necessary framework for firm control over immigration. The Government believe that to repeal the Act would be irresponsible and damaging to community relations.

As my right hon. Friend announced on 23 January, at col. *274*, the Government intend to introduce legislation in the lifetime of this Parliament to make overstaying a continuing offence committed on the day when the overstayer first knows that his leave has expired and on any day thereafter on which he remains in the United Kingdom.

The Government also intend, as my right hon. and learned Friend the then Secretary of State told the House on 23 July 1985, at col. 894, to introduce legislation to put an end to the sexually discriminatory features of section 1(5) of the Immigration Act in a way that preserves the Government's commitment to firm immigration control: but the Government have no plans to amend the Act in other respects.

Private Landlords (Intruders)

Mr. John Mark Taylor asked the Secretary of State for the Home Department if he is satisfied with the legal powers available to protect private landowners from reckless intruders.

Mr. Mellor: We are urgently considering whether some further strengthening of the criminal law is required to protect private landowners from trespassers, and shall not hesitate to introduce any necessary changes.

Mr. Leighton asked the Secretary of State for the Home Department how many arrests have been made so far in connection with the current trades dispute at Wapping; if he will give a breakdown of *(a)* the charges laid against those arrested, *(b)* the number of charges that have subsequently been dropped, *(c)* bail conditions imposed by magistrates and *(d)* the number of convictions that there have been; and what sentences have ensued.

Mr. Giles Shaw [*pursuant to his reply*, 19 May 1986, c. *12*]: I understand from the commissioner that, up to 9 June, 918 people had been arrested in connection with this dispute. Of these, 799 were charged with various offences ranging from threatening behaviour to grievous bodily harm. No charges have been dropped. Bail conditions have included undertakings not to go within a certain distance of the News International plant, and conditions of residence.

Up to 9 June, 474 people had been convicted of offences in connection with the dispute. The sentences included conditional discharges, fines and imprisonment. The highest sentence of imprisonment was 21 days.

PRIME MINISTER

Armed Forces (Ethnic Minorities)

Mr. McNamara asked the Prime Minister, pursuant to the reply to the hon. Member for Winchester (Mr. Browne) of 17 June, if she will give the terms of reference of the review of ethnic minorities in the armed forces; when it was established; by whom it is being conducted; from whom it has received evidence; and if the results will be published.

The Prime Minister: The possibility of introducing ethnic monitoring to the Armed Forces is being considered as part of their routine duties by those in the Ministry of Defence who are responsible for Service personnel policies and practices. This review is nearing completion. An announcement on this matter will be made in due course.

Department of the Environment (Ministerial Responsibilities)

Mr. Michael Brown asked the Prime Minister if there are any plans to reallocate ministerial responsibilities in relation to sport within the Department of the Environment.

The Prime Minister: No.

AGRICULTURE, FISHERIES AND FOOD

Cereals

Mr. John asked the Minister of Agriculture, Fisheries and Food when he expects a final decision to be made on the operation of the cereals co-responsibility levy in the United Kingdom; and if he will make a statement.

Mr. Jopling: The cereals coresponsibility levy applies from 1 July to this season's Community grain which undergoes first processing, is exported or is sold into intervention. The operation of the levy in the United Kingdom will be governed by Commission regulations which are expected to be finalised shortly. These will be supplemented by a Statutory Instrument which will be laid before the House as soon as possible thereafter.

Mr. John asked the Minister of Agriculture, Fisheries and Food what representations he has received regarding the operation of the cereals co-responsibility levy in the United Kingdom.

Mr. Jopling: I have received representations from many different sources. I and my officials are in close consultation with the interested trade organisations on how best to operate the levy in the United Kingdom.

Mr. John asked the Minister for Agriculture, Fisheries and Food what he expects to be the yield of the cereals co-responsibility levy in the United Kingdom; and what the yield would be if the levy were extended *(a)* to all cereals used in animal feed and *(b)* to all cereals grown in the United Kingdom.

Mr. Jopling: It is not possible to predict the yield of the cereals co-responsibility levy in the United Kingdom as this will depend on the size of the harvest and the proportion of that harvest which is processed, exported outside the Community, or put into intervention.

Mr. John asked the Minister of Agriculture, Fisheries and Food if he will estimate the proportion *(a)* of total cereals produced in the United Kingdom and *(b)* of cereals used in animal feed which will be liable for co-responsibility levy; and if he will give information on equivalent figures for the European Community.

Mr. Jopling: I shall reply to the hon. Member as soon as possible.

Mr. John asked the Minister of Agriculture, Fisheries and Food at what point in the production process the cereals co-responsibility levy will be applied; and what cereals will be exempt from the levy.

Mr. Jopling: The cereals co-responsibility levy will be collected on Community grown cereals which either undergo first processing, are exported outside the Community or are bought into intervention. Cereals owned by traders or processors and in store on 30 June 1986 from harvests prior to 1986 will be exempt from levy if an exemption certificate is claimed before 7 July. Cereals imported from outside the Community and cereals sold out of intervention will also be exempt from levy.

Medicated Animal Feedstuffs

Mr. Murphy asked the Minister of Agriculture, Fisheries and Food what steps he proposes to take to implement section 40 of the Medicines Act 1968 as amended by section 13 of the Animal Health and Welfare Act 1984.

Mrs. Fenner: The powers afforded by section 13 of the Animal Health and Welfare Act 1984 have already been used to take the first steps to improve controls over the manufacture, sale supply or import of medicated animal feedingstuffs. Statutory consultation is now in progress on further proposals which will simplify the labelling requirements. We now propose to seek the views of representative organisations on the principal measures. Their content has been under discussion with representative organisations for some two and a half years and I believe there is now a large measure of agreement on them. We hope to implement them within two years.

SOCIAL SERVICES

AIDS

Mr. Kirkwood asked the Secretary of State for Social Services if he will introduce the free issue of contraceptive sheaths to patients at National Health Service family planning clinics as a protective measure against the spread of HTLV-III virus; and if he will make a statement.

Mr. Hayhoe: Professional opinions differ about the desirability of making sheaths available in genito-urinary medicine clinics for the control of HTLV-III virus. However, the matter is under careful consideration.

Diabetics

Mr. Hirst asked the Secretary of State for Social Services if, in view of modern techniques of management of diabetics, he will include blood glucose test strips in the limited list so that these can be prescribed by general practitioners for their National Health Service diabetic patients.

Mr. Hayhoe: I refer my hon. Friend to the reply given by my hon. Friend the Parliamentary Under-Secretary of State for Health on 25 March at column 775.

Wheelchairs

Mr. Ashley asked the Secretary of State for Social Services (1) what plans he has to make the standards of assessment and prescription of wheelchairs more consistent;

(2) what is his estimate of the number of disabled people using unsuitable or unsafe wheelchairs.

Mr. Newton: The models of wheelchair issued by the Department meet standards of stability and durability and other safety requirements such as fire retardancy, and none is inherently unsafe. The suitability of a wheelchair for a particular individual is a matter of professional judgment. In reaching decisions about the recommendations of the McColl report I shall have in mind the scope for improving assessment and prescribing practices.

Mr. Ashley asked the Secretary of State for Social Services if he intends to introduce a low-cost, low-performance wheelchair into the range in the near future.

Mr. Newton: An initial order has been placed for one new model of lower-cost pushchair for occasional users and arrangements are being made for its introduction and evaluation in use.

Mr. Ashley asked the Secretary of State for Social Services if he is satisfied with the back-up services for wheelchair users.

Mr. Newton: We are actively exploring ways of improving these services in the light of the McColl report.

Artificial Limbs

Mr. Ashley asked the Secretary of State for Social Services (1) if he is satisfied with the competition between the British companies which manufacture artificial limbs;

(2) how many British firms supply artificial limbs to amputees in the United Kingdom.

Mr. Newton: Seven British firms supply artificial limbs in the United Kingdom. The Department is currently consulting the industry about a number of matters including contractual arrangements.

Mr. Ashley asked the Secretary of State for Social Services what complaints he has recently received about the artificial limb and appliance centre services; and what response he has made.

Mr. Newton: Twenty three specific complaints have been received by Ministers since 1 January and answered individually. No central record is kept of complaints made direct to centres. The figure does not include some 50 written responses to our invitation to comment on the McColl report or other suggestions for the development of the services.

Mr. Ashley asked the Secretary of State for Social Services what is his estimate of the number of people who have attended the artificial limb and appliance centres in each of the last five years.

Mr. Newton: The following figures refer to patient attendances at artificial limb and appliance centres in England:

Year	*Attendances*
1981	183,840
1982	191,820
1983	195,800
1984	192,650
1985	189,730

Note The centres supply wheelchairs to many people without the necessity of personal attendance.

Mr. Ashley asked the Secretary of State for Social Services when he intends to make a statement in response of the McColl report on artificial limbs and appliance centre services.

Mr. Newton: I refer the right hon. Member to my reply to the hon. Member for Barnsley, West and Penistone (Mr. McKay) on Monday 16 June at column *460*.

Unemployment Benefit

Mr. Hancock asked the Secretary of State for Social Services, what is the cost over the most recent period of 12 months for which figures are available of unemployment and other benefits related to unemployment in Portsmouth.

Mr. Major: I regret that this information is not available.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will take steps to ensure that officials of his Department promulgate the position regarding the right to supplementary benefit for Easter school leavers as set out in the answer to the hon. Member for Birkenhead, 12 June, *Official Report*, column 303, in advice to potential claimants and in interviews and briefings with the media; and if he will make a statement.

Mr. Newton: The hon. Member's question and my reply to him on 12 June at column *303* referred to the benefit entitlement of young people leaving school at Whitsun and not to those who left school at Easter. The Chief Adjudication Officer's guidance for adjudication officers in local offices on the entitlement of school leavers in general to supplementary benefit is contained in the published "S Manual" paragraphs 2251-2292. Advice on Easter school leavers in particular is contained in circular S51/85.

Childhood Cancers

Mrs. Renée Short asked the Secretary of State for Social Services what resources he is providing for the study of childhood cancers.

Mr. Hayhoe: The Department supports the Childhood Cancer Research Group based at the Radcliffe infirmary, Oxford on the basis of a six-year rolling contract. The Group's financial allocation in 1986-87 amounts to £153,600 to which the Scottish Home and Health Department will contribute 10 per cent. The Department is also providing financial support in 1986-87 for the following research projects:

1. Case Control Study of Leukaemia and Lymphoma in Young People in West Cumbria—£19,800.
2. Birth Cohort Study in West Cumbria—£1,873.
3. Analysis of Cancer Incidence in Young People in Small Areas—£44,000.

Additionally the Department is giving £368,000 in 1986-87 to provide nursing support for trials in childhood leukaemia carried out by the Medical Research Council.

The Medical Research Council is the major Government-funded body supporting cancer research, including research into childhood cancers. It receives its annual grant-in-aid from the Science Vote of the Department of Education and Science.

Cancer (Sellafield)

Mrs. Renée Short asked the Secretary of State for Social Services when he expects to receive the report on medical aspects of radiation from the Committee looking at the incidence of cancer near Sellafield.

Mr. Hayhoe: I refer the hon. Member to my reply to my hon. Friend the Member for Bedfordshire, South-West (Mr. Madel) on 18 February at column *115*.

Alternative Medicine

Mrs. Renée Short asked the Secretary of State for Social Services what studies he is making of the British Medical Association's report on alternative medicine; and if he will make a statement about the provision of alternative medicine on the National Health Service.

Mr. Whitney: The Department is considering the Report of the British Medical Association's board of science working party on alternative therapy. Medical practitioners in the National Health Service can offer to use any form of treatment, including alternative therapies, which they consider to be in the interests of their patients and which they feel competent to provide.

Waiting Lists

Mrs. Renée Short asked the Secretary of State for Social Services what proposals he has to reduce waiting lists, particularly for surgery.

Mr. Whitney: We have made it clear that the reduction of waiting times for operations is a priority for both the National Health Service Management Board and for health authorities. We expect to issue further guidance on the subject shortly.

Health Resources

Mr. Pavitt asked the Secretary of State for Social Services how many of the recommendations of *(a)* the Acheson report on the distribution of health services resources and *(b)* the Black report on inequalities in health provision have now been implemented.

Mr. Hayhoe: I refer the hon. Member to my reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 12 December 1985 at columns *767-68* and to my predicessor's reply to the hon. Member for Manchester, Blackley (Mr. Eastham) on 14 May 1985 at column *110*.

Maternity Payments

Mrs. Beckett asked the Secretary of State for Social Services (1) what he estimates will be the expenditure under his new system of maternity payments for low income families additional to current expenditure on supplementary benefit single payments for maternity needs;

(2) what estimates he is able to make of the overall effect on public expenditure of the abolition of the maternity grant.

Mr. Newton [*pursuant to his reply*, 12 June 1986, c. *302*]: I have nothing to add to my reply to the hon. Lady on 20 May at column *166*.

Bethlem Royal and Maudsley Special Health Authority

Ms. Harman asked the Secretary of State for Social Services what percentage change there has been in the revenue allocation to the Bethlem Royal and Maudsley special health authority in the last six years.

Mr. Whitney [*pursuant to his reply*, 12 June 1986, c. *302*]: Revenue expenditure by the Bethlem and Maudsley special health authority increased by 125·9 per cent. in cash terms between 1978-79 and 1984-85, representing an increase in real terms of 27·2 per cent., after taking account of general inflation as measured by the gross domestic product deflator. This increase includes additional revenue allocated to the health authority over several years for the development of its interim secure unit and district services unit, which provide services for the South East Thames regional health authority. The revenue allocation to the SHA was £16·9 million in 1985-86 and £18 million in 1986-87. The SHA has recently been allocated a further £87,000 as part of the £50 million addition to health authority cash limits in England following the pay awards to review body staff announced recently.

TRANSPORT

Roads (Construction)

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will list all road construction contracts which his Department intends to award in 1986-87, showing in each case the total value of the contract and the expenditure likely to be incurred in that year.

Mr. Peter Bottomley: The information requested is set out below. The national road construction contracts actually let in 1986-87 may differ somewhat from this list, depending on the progress of outstanding statutory and other procedures. Other schemes not listed may start in 1986-87 if progress with their procedures is faster than currently expected.

National roads England—contracts expected to be let in 1986-87

£ million

Route	Title	Works cost estimate (i)	Forecast expenditure in 1986-87
M5	Warndon-Rashwood	17·0	4·5
M63/M66	Portwood-Denton	60·5	8·5
A1*	Clifton-Stannington bridge	5·0	2·0
A1	Wetherby bypass	10·3	1·5
A12	Martlesham bypass	8·1	2·0
A19	Peterlee flyover	2·6	1·0
A19*	Riccall and Barlby bypass	5·5	1·5
A27	Fontwell improvement	3·9	1·0
A27	Havant Chichester bypass	33·2	13·0
A30	Okehampton bypass	19·5	0·1
A34	Hanford GSJ	3·6	0·5
A35	Bridport link road	3·3	0·1
A36*	Heytesbury bypass	1·8	1·0
A36	Warminster bypass	9·9	2·3
A43	Towcester bypass	6·4	1·6
A47*	Peterborough-Westwood junction	1·2	1·0
A47	Peterborough-Longthorpe junction	1·3	0·2
A47	Wardley Hill improvement	2·1	0·1
A49	Leominster bypass	7·7	0·1
A52*	Bingham bypass	3·6	2·0
A64*	Seamer/Crossgates bypass	5·3	2·0
A65	Settle-Giggleswick bypass	6·1	0·2
A69*	Eighton Lodge junction improvement	4·3	2·1
A303	Furze Hedge improvement	1·2	1·0
A303	South Petherton-Broadway	14·5	3·5
A303	Thruxton-Amesbury	9·9	4·2
A361	Tiverton-Newtown	25·5	6·0
A406	Great Cambridge road junction	23·3	0·2
A418	Leighton-Linslade bypass	12·3	2·6
A419	Blunsden-Cricklade dualling	2·3	0·7
A483	Chester S. bypass-Welsh border	7·3	0·5
A616*	Stocksbridge to M1	18·5	7·0
A629	Kildwick-Beechcliffe	23·8	4·0
A650	Victoria Park-Crossflats	11·6	1·0
Grand totals		372·4	79·0

* Indicated schemes where contracts have already been let.

Note: The works cost estimates given are pre-tender estimates of the cost of the road schemes. In addition to the works contract, they include ancillary items such as statutory undertakers fees. The actual value of the contracts when let may differ from those quoted above.

Select Committees

Mr. Austin Mitchell asked the Secretary of State for Transport how many *(a)* officials and *(b)* Ministers from his Department gave evidence to Commons Select Committees in each of the Sessions (i) 1983-84 and (ii) 1984-85.

Mr. Moore: Eight officials and three Ministers from my Department gave evidence to Commons Select Committees in the 1983-84 Session, and 21 officials and three Ministers in the 1984-85 Session.

A6 (Streatley)

Mr. John Carlisle asked the Secretary of State for Transport whether he will reconsider his decision not to provide a roundabout on the junction of the A6 trunk road and Church road, Streatley, in the light of recent accidents in that area.

Mr. Peter Bottomley: I am satisfied that the decision was correct. The junction conforms with current design standards, and the provision of a roundabout cannot be justified by the one personal injury accident reported in the last three years.

There have since 1983 been six personal injury accidents at the junction of the A6 with Sharpenhoe road, Streatley just to the south of Church road. The accidents occurred at night, and five involved vehicles turning right from Sharpenhoe road onto the A6. Lighting was installed on this section of the A6 earlier this year which should contribute to increased safety at the junction. Bedfordshire county council is also proposing to prohibit all vehicular turning movements from the side road onto the trunk road, although I understand that there have been objections to the draft Statutory Order.

Bridges

Mr. Mudd asked the Secretary of State for Transport when he expects to publish the results of his Department's study of the compliance of bridges with the standards laid down in BD21/84, the assessment of highway bridges and structures.

Mr. Peter Bottomley: The results of the sample survey, which will provide information on the extent of compliance of public road bridges owned by local authorities, railways and British Waterways, are expected to be available this summer.

M1 (Telephones)

Mr. Harrison asked the Secretary of State for Transport if he will ensure that when his officals check the telecommunications system at Rothersthorpe service station on the southbound carriageway of the M1 motorway particular attention is paid to telephone numbers Northampton 830668, 830185 and 830585.

Mr. Moore: My officials have now checked these telephones, two of which were found not to be working. The operator has agreed to inform the Department of progress by British Telecom in restoring the service.

Road Traffic Law Review

Mr. Soley asked the Secretary of State for Transport when he intends to publish the road traffic law review.

Mr. Peter Bottomley: The review is currently taking evidence and hopes to produce its final report around the turn of the year. We would expect to publish it as soon as possible.

Motorways (Nearside Lanes)

Mr. Speed asked the Secretary of State for Transport if he will take steps to encourage more motorway drivers to drive on the nearside lanes of motorways by a publicity campaign and appropriate motorway signs.

Mr. Peter Bottomley: The Department takes every opportunity to remind motorists that they should use the outer lanes on motorways for overtaking only and return to the nearside lane as soon as it is safe to do so.

A total of 23 million leaflets on lane discipline have been issued with vehicle excise duty documents. We plan to issue a further 9 million this year. Experimental "keep left" signs have been installed on the M1. Their impact is to be monitored.

Passenger Transport Authorities

Mr. Silvester asked the Secretary of State for Transport what guidance he has issued to the passenger transport authorities on future levels of expenditure.

Mr. Moore: Although I do not intend to determine expenditure levels for 1987-88 formally under the Rates Act 1984 for the Passenger Transport Authorities until July, certain of the authorities have asked me for provisional and informal early guidance on likely levels of expenditure for 1987-88 and 1988-89. Accordingly my Department has today written to each PTA with such guidance, and I have arranged for copies of those letters to be available in the House of Commons Library. This guidance is intended simply to give the authorities an indication of the order of expenditure which appears in the light of present information to be consistent with the Government's policy objectives. The authorities will of course have full opportunities to submit their views on the appropriate levels of expenditure under the normal procedures laid down by the Rates Act, and I will give very careful consideration to any such views at the appropriate time.

NORTHERN IRELAND

Local Enterprise Development Units

Mr. Bell asked the Secretary of State for Northern Ireland what is the number of *(a)* projects, *(b)* manufacturing jobs *(c)* service jobs and *(d)* enterprise grants, promoted by local enterprise development units in each local enterprise development unit region since 1980-81 and the average cost per job.

Dr. Boyson: Government assistance to small businesses in Northern Ireland is channelled through a single organisation, the Local Enterprise Development Unit. LEDU operates on an area basis with offices in Londonderry, Newry, Omagh and Belfast, where its headquarters is also situated.

The following table sets out the numbers of *(a)* projects, *(b)* manufacturing jobs, *(c)* service jobs and *(d)* enterprise grants promoted by the Local Enterprise Development Unit in each of its four areas since 1980-81.

	Londonderry Office Northern Area	*Newry Office Southern Area*	*Belfast Office Eastern Area*	*Omagh Office Western Area*
(a) No of projects	606	579	1,308	388
(b) No of manufacturing jobs	2,123	2,489	5,750	1,630
(c) No of service jobs	436	611	2,017	395
(d) No of Enterprise Grants (In existence since end 1982)	336	245	434	164

The average cost per job over the period is £4,057.

Industrial Assistance

Mr. Bell asked the Secretary of State for Northern Ireland if he will list, by country of origin, the firms in receipt of Government assistance that have opened or closed in Northern Ireland for the period for which data is available.

Dr. Boyson: The following list shows firms (142 in all) which opened in the period 1972 to 1985 with assistance from the Industrial Development Board or its predecessor, the Department of Commerce. Those asterisked subsequently closed.

Northern Ireland
Texmotif Ltd
Maydown Precision Engineering Ltd
Tirnanog Ltd
Wilson Double-Deck Trailers Ltd
Sandown Private Nursing Homes Ltd
Sefco Engineering Ltd
Samson Yarns Ltd
Euro-Shellfish Ltd
Tri-Sum Snacks Ltd
Flax Fibres Ltd
Plashapes Ltd
North Star Plastics Ltd
Cookstown Meats Ltd
Ivex Pharmaceuticals Ltd
Merm Ltd
Tamnaharry Developments Ltd
Lenticle Ltd*
John Cleland & Sons (Labels) Ltd
John Finlay (Site Handlers) Ltd
Glenbrook Foods Ltd
St Brendan's Irish Cream Liqueur Co Ltd
Munton (Antrim) Ltd
Desmond & Sons (Enniskillen) Ltd
Finlay (Block Machinery) Ltd
Quatrefoil Ltd*
Phoenix Picture Frames Ltd
Inch Processors Ltd
Irlandus Prototypes Ltd
Cookstown Clothing Ltd*
Springtown Engineering Ltd*
Four M(NI) Ltd*
Munton Textiles Ltd.
Power Automation Productions Ltd.*
Concrete Systems Ltd.
Portaferry Pumps and Equipment Ltd.
T. B. F. Thompson Ltd.
Parkgate Spinners Ltd.*
Taste Rite Foods Ltd.
Flying Horse Sports Ltd.*
Dunluce Knitwear Ltd.*
B. H. McCleery & Co. Ltd.
Altona Woodcraft Ltd.*
Cor Van Heughten Ltd.
McNeill Assemblers Ltd.*
Millbrook Engineering Ltd.*
SMS Locks Ltd.*
Sugna Ltd.
Co-Tem-Co Ltd.
Viking Manufacturing Co. Ltd.*
Green Point Appliances Ltd.
Electronic Patentees Ltd.*
M. H. M. International Ltd.
G. A. General Works (Ards Holdings)*
Textile Recycling Ltd.*
Foyle Meats Ltd.
Shergrim Ltd.
Fleming Poultry Ltd.
Castledawson Shirt Co. Ltd.
McQuillan Bros. Ltd.
Aquaculture Ltd.
Textile Engineering Co. Ltd.*
Ulster Crystal Ltd.*
Regna International Ltd.*
Tyrone Scientific Ltd.*
B. & J. Jupiter Cruisers*
Enniskillen Meat Packers (Fermanagh Meats)
Featherlite Plastics Ltd.*
Moy Central Manufacturing Co. Ltd.
Masstock Systems Ltd.*

Denroy Plastics Ltd.
Cyntex Ltd.*

Great Britan
I.S.A. Poultry Services Ltd.
McCorquodale plc.
Airport Catering Services Ltd.
Rumenco Ltd.
Cooper Technical Components Ltd.
Lynjoy Ltd.
Winner Shoes Ltd.*
Thermomax Ltd.
C. P. Trim Ltd.*
Softward Ireland Ltd.
Pharmaceutics (IV Fluids) Ltd.*
Walmsleys Games Components*
Nocobond Ltd.*
Ulcon Ltd.*
Oakland Foods Ltd.*
Pactgreen Ltd.*
Fairfax Jersey Ltd.*
Moss Land Spinning Ltd.*
Glenbank Finishing Ltd.*
Maine Spinning Co. Ltd.*
Perry Heating (Supermatic Ltd.)*
Abacus Engineering Ltd.*
Croadawick (NI) Ltd.*

United States of America
Quad Signs (NI) Ltd.
Falconette Ltd.
Heritage Crystal Ltd.*
O'Brien Machinery Ltd.*
Lear Fan Ltd.*
Oaks Development Ltd.*
Chesapeake Cutters Ltd.*
DPP Shreiber Cheese Co. Ltd.
AVX Ltd.
De Lorean Motor Co.
Coronary Care Systems Ltd.*
Fisher Body Ltd.
Hyster (NI) Ltd.
National Supply Co. Ltd.
LFE International BV
American Monitor International Ltd.*
Synthetic Industries Ltd.

West Germany
Elastic Berger Ltd.
Keese Label Presses*
Rusi Cosmetics Ltd.*
Andus Electronic Ltd.*
C. B. W. Industries Ltd.
Gerd Ney Ltd.*
Tools and Cans Ltd.

Republic of Ireland
Mastercut Meat Packers Ltd.
Norish (NI) Ltd.
UAP Ltd.
Powercrusher Ltd.
Associated Polymers Ltd.*
Container Refurbishing Ltd.*
MCL Plastics Ltd.*
Glen Electric Ltd.

Canada
Universal Sections (Yardmaster)*

Denmark
Thrige-Scott Ltd.
Bulrish Peat Co. Ltd.
Tyrone Shoes (1975) Ltd.*
Scan Candles Ltd.*

Netherlands
Multi-food Machinery Ltd.
NI Paper Mill Co. Ltd.
Tufted Carpet Tiles Ltd.

Switzerland
Smart (UK) Ltd.
Scandinavian Hosiery Ltd.*

Japan
Iwax (UK) Ltd.

Pakistan
Down Linen Yarns Ltd.

Hong Kong
Texlin Yarns Ltd.

Sweden
Tilgman Keramik Ltd.*
Regal Foods Ltd.

Cyprus
Quality Dairies Ltd.

In addition, in the period 1979-80 to 1985-86 inclusive, the Local Enterprise Development Unit assisted 2,163 small firms, almost exclusively of Northern Ireland origin and in many cases one-man businesses, to begin operating. Information on LEDU-assisted firms which closed in the period is not available.

TRADE AND INDUSTRY

Protective Paints

Mr. Merchant asked the Secretary of State for Trade and Industry what recent representations he has received from the British paint industry as to standards applied to protective paints for bridges and similar steel structures; and if he will make a statement.

Mr. Peter Bottomley: I have been asked to reply.

International Paint wrote to me on 19 May proposing that the Department's specification be amended to permit the use of new paint system that require fewer coats. I have asked for full details so that the technical and economical merits of the proposal can be thoroughly examined.

SCOTLAND

Forestry

Mr. Kirkwood asked the Secretary of State for Scotland (1) whether he will take steps to require private forestry companies to include recreational provision in any large scale planting scheme which benefits from forestry planting grants;

(2) whether he will make it his policy to adopt an integrated approach to agriculture and forestry in the uplands and lowlands of the United Kingdom;

(3) whether he has any plans to meet the Convention of Scottish Local Authorities to discuss alternative methods in controlling forestrty planting;

(4) if he will publish in the *Official Report* Her Majesty's Government's conservation and landscape strategy in relation to forestry and woodlands;

(5) if he will make a statement on the effectiveness of the various broadleaved assistance schemes in reversing the decline of decidous woodlands.

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

Mr. Kirkwood asked the Secretary of State for Scotland whether he will consider setting up a system of national financial support for forestry industry projects.

Mr. Allan Stewart: No. The Government make available regional development grants and regional selective assistance in suitable cases to firms in the manufacturing or service sectors which invest in the assisted areas. The Government's policy concentrates resources on the areas of greatest need, in particular those with the highest rates of unemployment. Projects of particular national importance and benefit can, in exceptional cases, receive assistance regardless of location within the United Kingdom. In addition the Scottish Development Agency and Highlands and Islands Development Board can offer help and advice for new projects within their respective areas.

Upland Land Use

Mr. Kirkwood asked the Secretary of State for Scotland what plans he has to meet the Forestry Commission, the Convention of Scottish Local Authorities, the National Farmers' Union and other interested parties to discuss the objectives of Her Majesty's Government's upland land use policies.

Mr. Ancram: My right hon. and learned Friend has no plans to do so at present. Close contact at all levels is maintained with the Convention of Scottish Local Authorities, the National Farmers' Union for Scotland and various other bodies which have an interest in upland land use. The Forestry Commission is of course a department of government which reports to my right hon. and learned Friend and to the other Forestry Ministers.

Mr. Kirkwood asked the Secretary of State for Scotland if he will publish in the *Official Report* a statement setting out Her Majesty's Government's policy objectives on upland land use.

Mr. Ancram: The Government's policy objectives on upland land use are directed towards maintaining a balance between the economic and social needs of the rural communities in terms of a healthy agricultural industry and of other activities, such as forestry, conservation and recreation, which contribute to these communities' economic and social well being.

Female Police Surgeons

Mr. Craigen asked the Secretary of State for Scotland, pursuant to his answer of 9 June, *Official Report*, column 33, what has been the numerical result to date in terms of the recruitment of female police surgeons since the issue of his departmental circular in November 1985 to each of the police authorities listed.

Mr. John Mackay: No additional female police surgeons have yet been appointed, since the process of identifying women doctors who are prepareed to undertake this work, training them and appointing them formally takes time; but chief constables are actively seeking to recruit.

Scottish Islands (Agricultural Development Programme)

Mr. Kennedy asked the Secretary of State for Scotland if he will make a statement on current progress towards an agricultural development programme for the Scottish islands, indicating the likely timetable of events and date of implementation.

Mr. John Mackay: The ADP regulation was formally approved on 6 May by the Council of Minsters in Brussels. The way is now clear for wide-ranging consultations to be put in hand with interested parties on the detailed contents of the programme to be submitted to the European Commission.

Given the wide geographical spread of the islands included within the scope of the ADP and the diversity of agricultural conditions to be taken into consideration, the consultative process and the subsequent preparation of the programme will clearly be major and time consuming tasks. I envisage however that the ADP will be in operation before the end of 1987.

Stobhill Hospital Maternity Unit

Mr. Martin asked the Secretary of State for Scotland if he will place in the Library a copy of the representations made to the Greater Glasgow health board by the Faculty of Medicine at Glasgow university regarding the proposed closure of Stobhill hospital maternity unit; and if he will make a statement.

Mr. John Mackay: I am arranging for a copy to be placed in the Library. When a health board proposes to close a hospital facility it is required to consult widely with all interested parties and, having done so, submit its formal case to the Secretary of State for his approval. In reaching a view, my right hon. and learned Friend and I will take full account of the representations which have been received both by him and by the board during their consultation process, from organisations and individuals in the area affected by the board's proposal.

Childhood Cancers

Mrs. Renée Short asked the Secretary of State for Scotland if any increase in the incidence of childhood cancers has been observed in west Thurso, west central Edinburgh and south-west Perth.

Mr. John Mackay: I shall reply to the hon. Member as soon as possible.

Labour Statistics

Dr. Godman asked the Secretary of State for Scotland how many people were registered as unemployed in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland as a whole in each year since 1979.

Mr. Allan Stewart [*pursuant to his reply*, 9 June 1986, c. *29*]: On 8 May 1986 the number of unemployed people claiming benefit in *(a)* Greenock and Port Glasgow parliamentary constituency, *(b)* Strathclyde and *(c)* Scotland was 8,841, 193,279 and 351,572 respectively. Comparisons with previous years are not possible because of the several changes in the way unemployment statistics have been compiled since 1979. The information is however available in the Library for the corresponding month of previous years.

Dr. Godman asked the Secretary of State for Scotland how many vacancies were available in job centres in *(a)*

Scotland, *(b)* Strathclyde and *(c)* Greenock and Port Glasgow in May 1979, June 1983 and at the latest date for which figures are available.

Mr. Allan Stewart [*pursuant to his reply*, 9 June 1986, c. *29*]: On 8 May 1986, the latest date for which information is available, the number of vacancies recorded in jobcentres in Scotland, Strathclyde region and Greenock and Port Glasgow was respectively 20,593, 9,078 and 363. Figures for earlier dates are available in the Library; they are not comparable with the latest information because of changes in the way the statistics are compiled. It is estimated that approximately one-third only of existing vacancies overall are notified to jobcentres.

Dr. Godman asked the Secretary of State for Scotland what specific plans he has to reduce youth unemployment in *(a)* Strathclyde and *(b)* Greenock and Port Glasgow.

Mr. Allan Stewart [*pursuant to his reply*, 9 June 1986, c. *29*]: Employment prospects for all unemployed people in Strathclyde and the hon. Member's constituency will best be enhanced, as they will in Scotland as a whole, by improvements in the climate for investment and the encouragement of industrial competitiveness which the Government's policies are designed to achieve.

In the short term, all the Government's employment and training measures, which were considerably expanded in this year's budget, are available to eligible young people in Strathclyde and in Greenock and Port Glasgow.

Among these the recently introduced new workers scheme will boost employmen opportunities for young people by offering employers a possible financial incentive to recuit those uner the age of 21.

Dr. Godman asked the Secretary of State for Scotland what was the level of youth unemployment in the Greenock travel-to-work area at the latest date for which figures are available; and what were the comparable figures in 1979 and subsequent years.

Mr. Allan Stewart [*pursuant to his reply*, 9 June 1986, c. *29*]: In April 1986, the latest date for which information is available, the number of unemployed people aged under 18 in the Greenock and Port Glasgow travel-to-work area was 637. Because of the various changes in the way unemployment statistics have been compiled since 1979, comparisons with previous years would be misleading. The information is, however, available in the Library for the corresponding month (representing end quarter compilations) of previous years.

Dr. Godman asked the Secretary of State for Scotland what was the level of long-term unemployment in Greenock and Port Glasgow at the latest date for which figures are available; and what were the comparable figures in 1979 and subsequent years.

Mr. Allan Stewart [*pursuant to his reply*, 9 June 1986, c. *29*]: In April 1986, the latest date for which information is available, the number of unemployed people in the Greenock and Port Glasgow parliametary constituency claiming benefit who had been unemployed for 52 weeks or more was 3,925. Because of various changes in the way unemployment statistics have been compiled since 1979, comparisons with previous years would be misleading. The information is however available in the Library for the corresponding month (representing end quarter compilations) of previous years.

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SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc., under subject headings and under the names of those taking part.

Rulings and Statements by Mr. Speaker and his deputies are brought together under the heading Speakers rulings and statements.

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Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc.* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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